

Carbon Reduction Plan 2024

Leading with Purpose: Foreword from our CEO

At **phs** Group, we believe that our success lies not only in what we achieve but in how we achieve it. We are committed not only to providing essential services but also to shaping a more sustainable future. The **phs** Carbon Reduction Plan for 2024 underscores this commitment and details our focused efforts to minimise our environmental impact while advancing meaningful progress toward Net Zero by 2040.

Our approach is comprehensive, involving every part of our business. From upgrading our fleet to developing renewable energy initiatives across our estate, every step we take brings us closer to a sustainable future. To reinforce transparency and accountability, we now offer tailored reports for our customers, detailing metrics such as fuel consumption and waste management. These actions align with our overarching Environmental, Social, and Governance (ESG) principles and reflect our pledge to reduce our carbon footprint while delivering value to our customers.



Matt Brabin
Matt Brabin
CEO, **phs** Group

Our journey towards Net Zero includes decarbonisation across our estate and operational footprint, with a strong focus on reducing fleet emissions and tackling Scope 3 emissions within our supply chain. With the appointment of our dedicated Head of Sustainability, Graeme McKenzie-Netherwood, **phs** has elevated its focus on sustainability. This is more than a strategic decision - it's a commitment to drive lasting change. Through transparent reporting, innovation, and collaboration, we are on a path to reduce our environmental impact at every level of our operations.

Together with our partners, employees, and customers, we are confident that we can achieve our sustainability goals and contribute positively to the communities we serve. We invite you to read our Carbon Reduction Plan, which outlines our initiatives, progress, and future goals in this journey towards a sustainable tomorrow.

Decarbonisation Plans Across the **phs** Estate

Across our estate, **phs** has implemented several decarbonisation plans aimed at reducing our environmental impact and footprint. Key initiatives include the widespread replacement of conventional lighting with energy-efficient LED lighting. Additionally, we are exploring opportunities to harness renewable energy sources, such as fitting solar panels on top of our headquarters in Caerphilly and the consideration of wind turbines at some of our sites.

Replacement of Equipment and Infrastructure

In line with our commitment to emission reduction, **phs** carefully evaluate the environmental impact of all equipment and infrastructure installations. We prioritise energy-efficient alternatives wherever possible, and economically justified. Plans are underway to integrate Building Management Systems (BMS) across our facilities, enhancing our ability to optimise energy consumption and operational efficiency across the estate.

An integral part of our strategy is to improve building insulation and upgrade HVAC systems. By minimising heat loss through enhanced insulation and evaluating the efficiency of heating, ventilation, and air conditioning (HVAC) systems, **phs** aims to further reduce energy consumption and emissions.



Carbon Reduction Initiatives

To drive meaningful change in our environmental impact, we are collaborating closely with our supply chain partners to significantly reduce our upstream Scope 3 emissions, recognising that collective effort is essential for achieving our sustainability goals.

To further enhance our carbon reduction efforts, we are initiating an advanced AI solution designed to accurately assess the carbon footprints of our products and identify carbon 'hotspots' within our supply chain so that they can be remedied. By harnessing data-driven results, we aim to make informed decision that will minimise our overall emissions.

Our ongoing strategy to improve ESG data collection across the business is important to our sustainability framework. We are enhancing internal communication and training on ESG topics, empowering our team to understand and contribute to our sustainability objectives. Additionally, we proudly launched our comprehensive ESG Report, which provides transparency and accountability regarding our initiatives and progress.

[DOWNLOAD OUR ESG REPORT](#)

phs are nearing the completion of a two-year project aimed at replacing the end-of-life Data Centre equipment in our Caerphilly headquarters with 'state of the art', energy-efficient equipment, reducing our power consumption, and helping to minimise our carbon footprint, leading to substantial energy savings and a more sustainable operation.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

phs have proudly committed to science-based emissions targets through the Science Based Targets Initiative (SBTi), a global body that drives climate action. By aligning our sustainability with the latest climate science, we are taking the right steps to ensure our emissions reduction goals are both credible and effective. As a recognised participant in the SBTi, **phs** appears on the SBTi website as a committed company, which reflects our desire to achieve our emission reduction goals.



p hs Fleet

p hs' highest emission annually is motive fuel. In 2024, p hs undertook a transformative project to upgrade our entire washroom vehicle fleet with smaller, more fuel-efficient panel vans that meet Euro 6 standards or are fully electric (EV). This initiative is a step forward in reducing nitrogen oxide (NO) and carbon emissions, further reflecting our commitment to cleaner, more sustainable operations.

Our investment in electric vehicles has significantly expanded our fleet, with approximately 100 electric vehicles now in active service.

As part of our ongoing fleet optimisation programme, we are continuously enhancing our strategy by integrating additional EVs and the continued use of route optimisation techniques, which has resulted in a reduction of 230,000 litres in motive fuel use during the 2023/24 financial year, saving 620 tonnes of carbon compared to the previous year.

To further support our growing electric fleet, p hs has installed more than eighty electric charging points across our UK operations centres. We will continue to expand EV charging facilities until all operations centres is equipped, ensuring that our transition to an electric fleet is seamless and efficient.

Vehicle Monitoring

The fleet team at p hs remains committed to promoting efficient driving practices across our operations. We have installed telemetry systems in all commercial vehicles, allowing us to monitor key metrics such as speed, driving behaviours (including acceleration, cornering, and braking) and overall fuel efficiency. Telemetry data is analysed by our in-house fleet management team, enabling us to identify areas for improvement. Insights and reports are regularly discussed with site managers during daily "Beat Calls," ensuring that any non-conformances or negative trends are addressed promptly. Additionally, the data is periodically reviewed at executive level, by the Group CEO.

Whilst it is challenging to quantify and accurately determine the savings from these initiatives, we recognise that improved scheduling, increased revenue generation by trip and efficient driving have made significant positive impact on our emissions reduction targets.



Quantification and Reporting Methodology

This report uses data collected during 26th June 2023 to 30th June 2024 in line with our fiscal year. It should be noted that the 2023/24 reporting period covers 53 weeks, whereas the 2022/23 reporting period covers 52 weeks.

This report covers Personnel Hygiene Services Limited and its UK trading subsidiaries. These businesses are fully under our control allowing us to effectively identify existing energy usage, evaluate its environmental impact and implement any energy reduction measures identified in this report.

Emission	Note	Scope	2023/24 (53 weeks)		2022/23 (52 weeks)	
			kWh	tCO2e	kWh	tCO2e
Natural gas	1	1	11,172,315	2,281	13,882,071	2,835
Vehicle fuel (diesel)	2	1	60,135,315	15,280	59,214,240	15,046
Vehicle fuel (petrol)	2	1	2,032,086	517	965,889	246
Electricity	3	2	3,444,673	689	3,571,929	714
Electricity (transmission and distribution)	4	3		62		64
Higher risk waste - mandated	5	3		134		130
Lower risk waste - energy recovery	5	3		1,356		1,184
Lower risk waste - landfill	5	3		2,611		3,478
Travel and accommodation	6	3		460		243
Scope 1 Total			73,339,716	18,078	74,062,200	18,126
Scope 2 Total			3,444,673	689	3,571,929	714
Scope 3 Total				4,622		5,099
Grand Total			76,784,390	23,390	77,634,130	23,940

Walking and E-Bike collection rounds

Removing the need for fossil fuel use in congested and urban areas, we have introduced innovative collection methods, employing colleagues who utilise trolleys or e-bikes to collect waste in busy cities. This not only reduces congestion but also significantly cuts emissions. Looking ahead, p hs aim to have 80 colleagues on Net Zero collection rounds, underscoring our commitment to sustainable practices in urban environments.

Scheduling and Route Optimisation

To further maximise our operational efficiency, we utilise route optimisation software and have an in-house scheduling team to continuously monitor and refine our route profiles, ensuring that our fleet travels the most efficient number of miles to service our customers' needs.

Vehicle Downgrade Scheme

We currently operate a company car downgrade scheme which allows employees to switch to a car with lower emissions in return for an increased cash allowance. In the reporting year we also implemented a car scheme that offers significant discounts on efficient car leasing, making it easier for our colleagues to choose sustainable transportation options.

PHEV company cars

This year, we have introduced plug-in hybrid (PHEV) company car options, providing our employees with more eco-friendly choices that align with our sustainability objectives.

Notes

- Burning of gas for space heating and p hs product washing processes e.g., bin washing, laundering of mats, workwear, and roller towels etc.
- Burning of motive fuels in our vehicle fleet and grounds maintenance equipment.
- Consumption of electrical energy supplied from national grid for lighting, heating (air-conditioning) and powering of electrical and electronic equipment.
- Emissions derived from losses experienced during the transmission and distribution of electrical energy.
- The nature of the waste collected from our customer sites determines the disposal method(s) available. Whereas the disposal method of higher risk waste types (e.g., infectious, pharmaceutical and sharps waste) is mandated by regulation, for lower risk waste types (e.g., sanitary, nappy and incontinence waste) a range of disposal methods is available. We strive to maximise the amount of lower risk waste disposed of via energy recovery plants, generating electricity for the national grid, but due to a lack of capacity in the network a small proportion of such waste is still disposed of via landfill.
- Includes public transport and hotels.
- Prior year figures have been restated using 2023 GHG Conversion Factors.





Intensity Measure

Given the diverse range of products and services offered by phs Group, the only consistent, stable, and applicable performance indicator is our annual turnover versus the carbon emissions we generate. This approach allows us to effectively gauge our operational efficiency in relation to our environmental impact. To quantify this, the intensity measure we will use is tCO2e/£m, i.e., the tonnes of CO2e per £m of revenue generated (without any deductions). For the reporting period, our annual turnover for the entities included in the scope of the Streamlined Energy and Carbon Reporting (SECR) framework, which includes Personnel Hygiene Services Limited and its UK subsidiaries, during the period was £325,552,844 (2022/23: £309,140,721).

Emission	Scope	2023/24	2022/23
		tCO2e/£m	tCO2e/£m
Natural gas	1	7.01	9.17
Vehicle fuel (diesel)	1	46.94	48.67
Vehicle fuel (petrol)	1	1.59	0.79
Electricity	2	2.12	2.31
Electricity (transmission and distribution)	3	0.19	0.21
Higher risk waste – mandated	3	0.41	0.42
Lower risk waste - energy recovery	3	4.16	3.83
Lower risk waste - landfill	3	8.02	11.25
Travel and accommodation	3	1.41	0.79
Total		71.85	77.44

Further Efficiency Measures

phs Group has implemented the following proactive measures to manage and reduce its emissions:



Energy Consumption Monitoring

All energy consuming processes are continually evaluated against an appropriate metric e.g., kilogrammes of dust mats laundered per kilowatt-hour (kWh) to ensure that we identify any deficiencies in the use of plant and machinery, pinpoint reductions in machine efficiency and process efficiency opportunities.



Energy Procurement

To further enhance our energy management, we use a specialist broker to continuously check the energy market and identify optimal opportunities to switch our energy supply. Our electricity is sourced from renewable resources and is certified by the Renewable Energy Guarantees of Origin (REGO), affirming our commitment to sustainable energy practices.



Climate Change Agreements

Two of our laundries are currently in a climate change agreement, which provide financial incentives for implementing energy efficiency improvements. This not only promotes our sustainable practices within our operation, but also align our business objectives with broader environmental goals.



Laundries

Our Drysafe infrared drying process exemplifies our commitment to energy efficiency. The innovative technology carefully monitors moisture levels within garments, allowing the dryers to cool down immediately once moisture is removed. The use of infra-red dryers not only reduces energy consumption, by up to 50% compared to conventional models, but also halves drying times and extends the lifespan of the garments. Additionally, we use heat exchanging washing machines that captures heat from wastewater, as well as water recovery tanks, which further reduces our water usage and enhance overall efficiency.



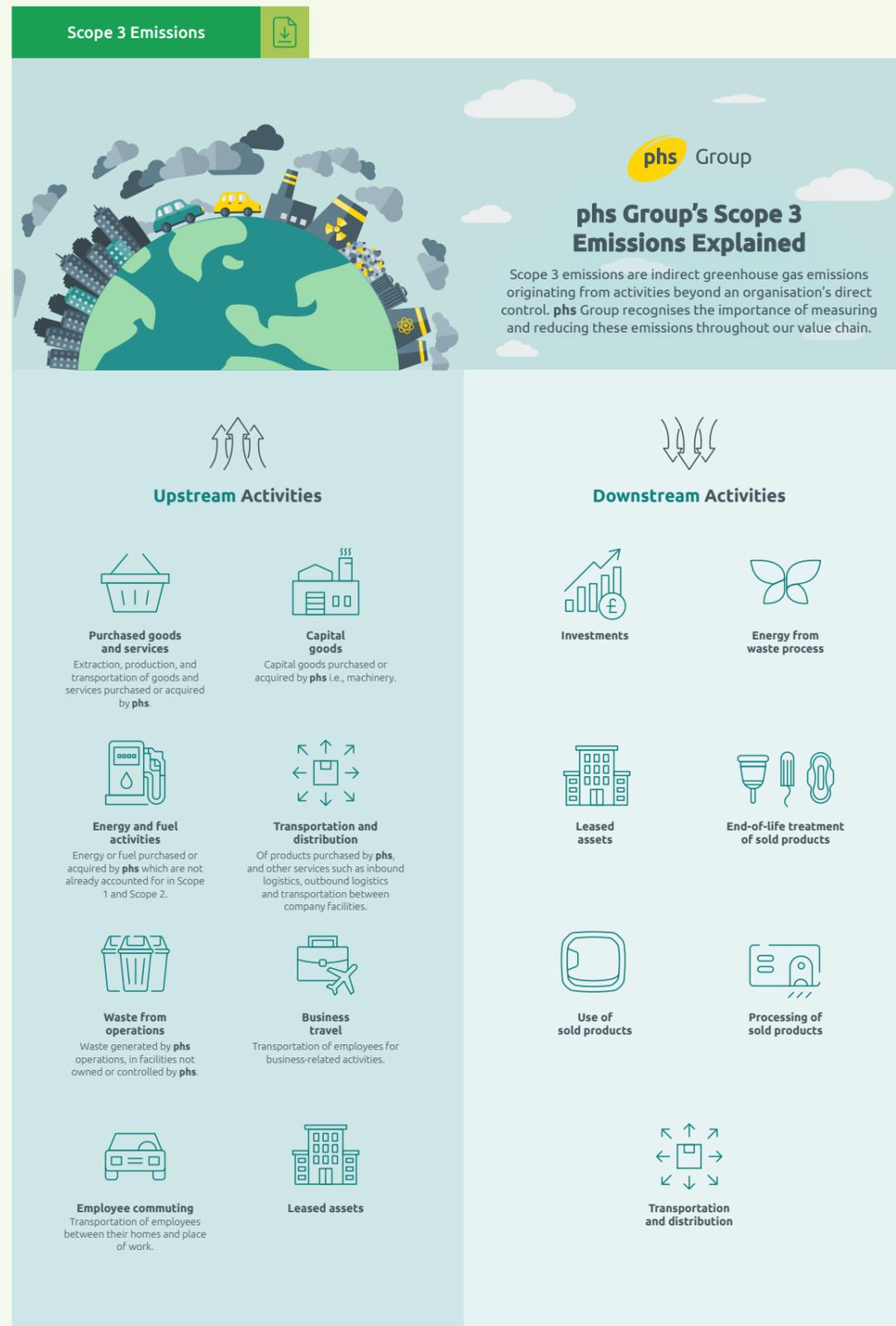
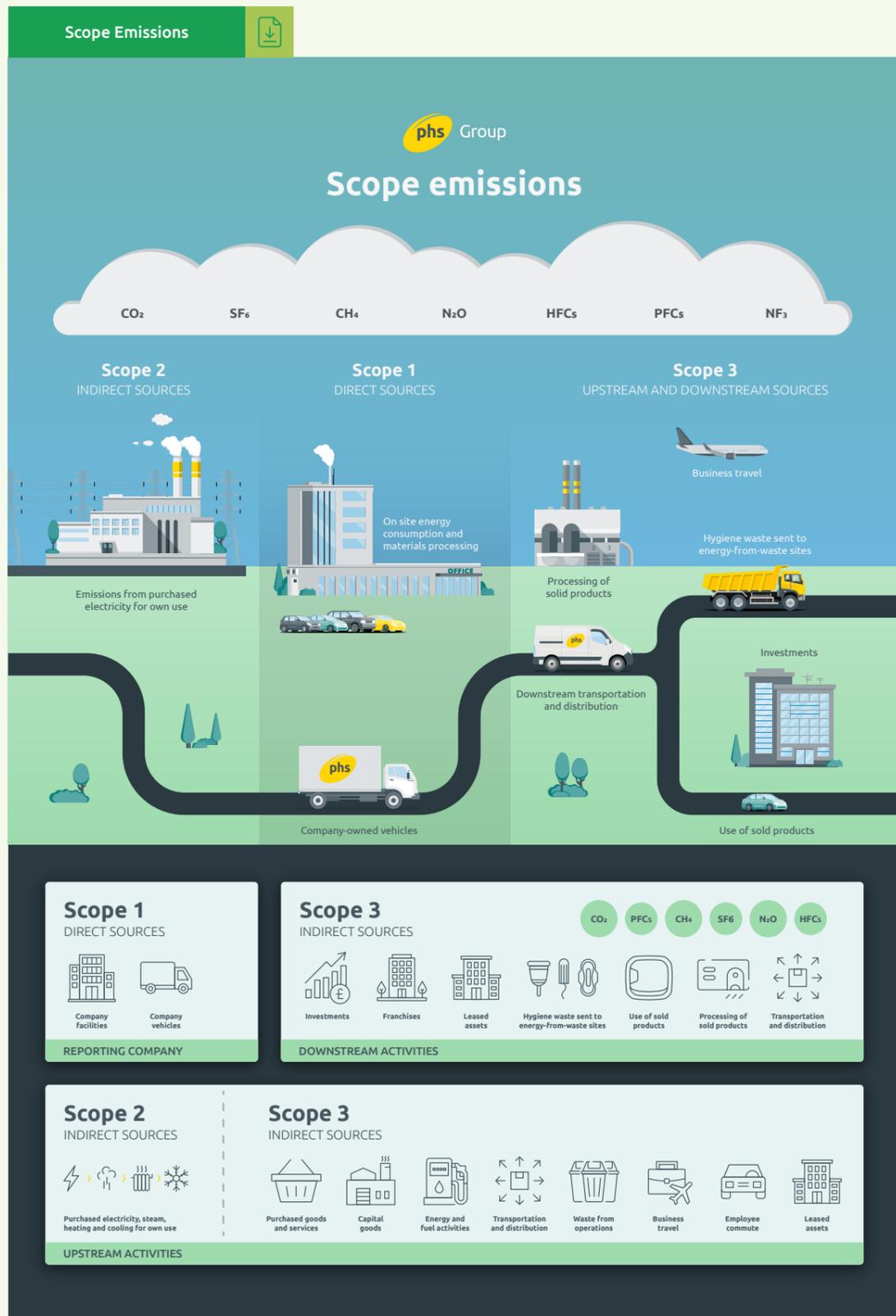
Waste Diversion from Landfill

phs are proud to report that our increased landfill diversion targets are now seeing 92% of all waste treated at energy recovery plants, thanks to our phs LifeCycle Strategy. This transforms the waste into enough energy to power nearly 12,000 average UK homes for a year. By diverting waste away from landfills, we not only reduce our environmental footprint but also contribute to a more sustainable future.

[FIND OUT MORE](#)



Scope Emissions: Reducing our Carbon Footprint



Measuring Scope 3

phs employ comprehensive measurement methodologies to quantify their Scope 3 emissions by tracking emissions throughout the value chain to identify hotspots and prioritise reduction efforts. We also utilise data from suppliers, customers, and industry standards to ensure accuracy and transparency.

Reducing Scope 3

Supplier Engagement

phs actively engage with suppliers to drive emission reductions, and collaborate to implement sustainable practices, energy-efficient technologies, and low-carbon alternatives. We encourage suppliers to adopt carbon accounting systems and report on their emissions so that together we can make a difference.

By prioritising collaboration, transparency, and continuous improvement with our suppliers to drive meaningful change within our supply chain, we contribute to a more sustainable future.

Policies

We implement robust policies and initiatives to address Scope 3 emissions by setting emission reduction targets aligned with climate goals, encouraging innovation, and implementing operational and procurement policies. We reduce business travel where we can, encourage virtual meetings, and only travel internationally when necessary. We're reducing employee commuting emissions by introducing remote and hybrid working, a cycle-to-work programme and offering colleagues an opportunity to transition to EVs.

We include requirements in our tenders for suppliers and service providers to disclose and commit to reducing their Scope 1 and 2 carbon emissions. By regularly monitoring and reporting, we ensure we are progressing towards our targets.





pHS Group, Block B,
Western Industrial Estate, Caerphilly CF83 1XH
029 2080 9090 | productinfo@pHS.co.uk | pHS.co.uk