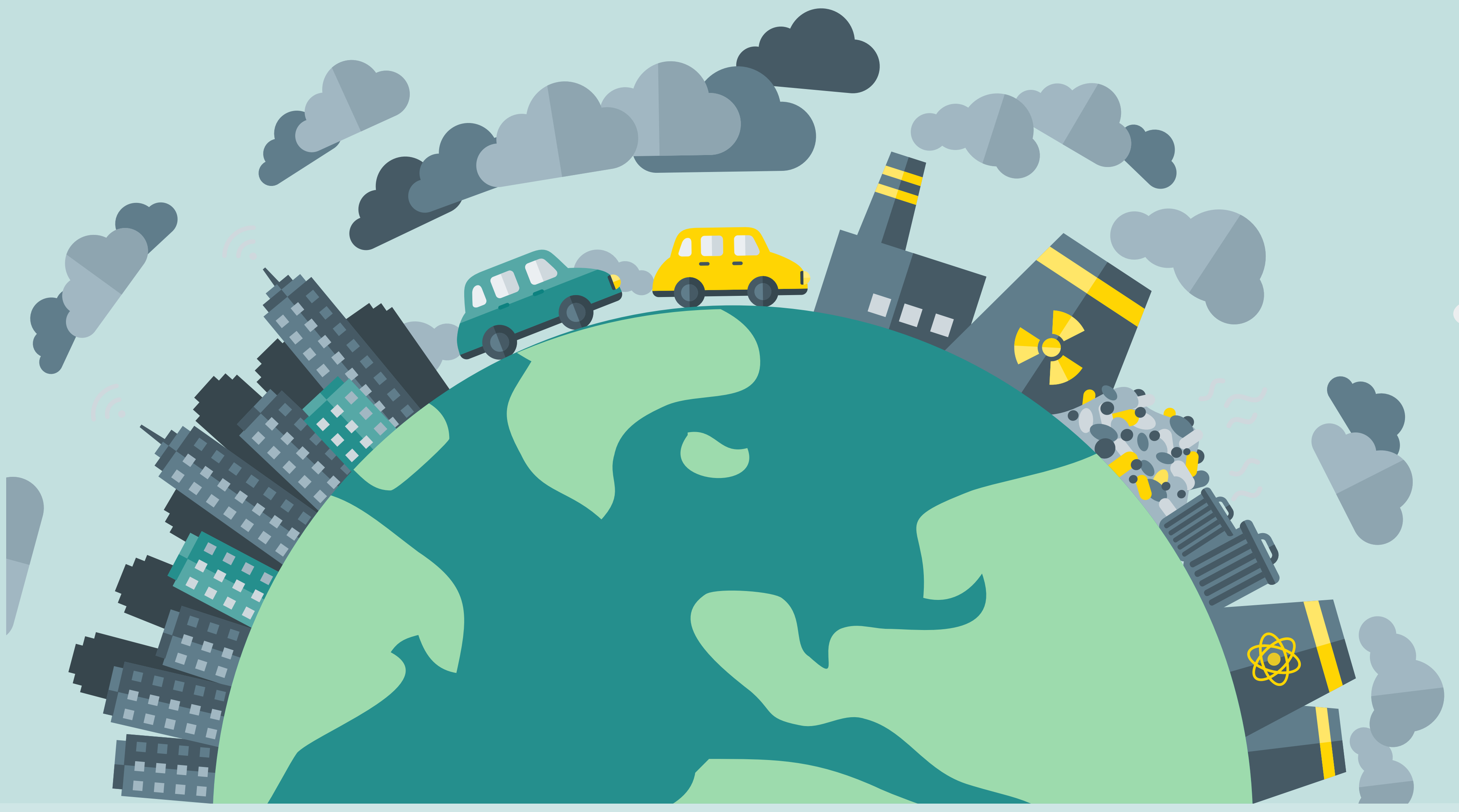

phs Group

phs Group's Scope 3 Emissions Explained

Scope 3 emissions are indirect greenhouse gas emissions originating from activities beyond an organisation's direct control. **phs** Group recognises the importance of measuring and reducing these emissions throughout our value chain.

Upstream Activities

Purchased goods and services
Extraction, production, and transportation of goods and services purchased or acquired by **phs**.

Capital goods
Capital goods purchased or acquired by **phs** i.e., machinery.

Energy and fuel activities
Energy or fuel purchased or acquired by **phs** which are not already accounted for in Scope 1 and Scope 2.

Transportation and distribution
Of products purchased by **phs**, and other services such as inbound logistics, outbound logistics and transportation between company facilities.

Waste from operations
Waste generated by **phs** operations, in facilities not owned or controlled by **phs**.

Business travel
Transportation of employees for business-related activities.

Employee commuting
Transportation of employees between their homes and place of work.

Leased assets

Downstream Activities

Investments

Energy from waste process

Leased assets

End-of-life treatment of sold products

Use of sold products

Processing of sold products

Transportation and distribution

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.