

Carbon Reduction Plan

Business	Algeco UK Limited
Date	02 May 2025

Policies

Algeco UK has a comprehensive set of environmental sustainability policies in place. The policies of our parent company, Modulaire Group, also apply to us.

- ESGS Corporate Policy
- Environmental Policy
- Electrification of Machinery, Forklifts, and Vehicles Policy
- Waste and Water Policy
- Biodiversity and Climate Change Adaptation Protocols

Additionally, Modulaire Group's scope 1 and 2 emissions (which include Algeco UK's) are limited assured annually by a third party – PwC. Details on Modulaire's Greenhouse Gas Reporting Principles and Methodologies and PwC Independent Limited Assurance Report are published on the company's [website](#). Our [2023 ESG & Sustainability Performance](#), which covers our greenhouse gas emissions reporting is also available on our website.

Strategy and Commitment to Achieving Net Zero

Modulaire Group, Algeco's parent company, is fully dedicated to achieving Net Zero emissions by 2050. This is an important environmental Key Performance Indicator (KPI) and is in alignment with our targets determined through the Science Based Targets initiative (SBTi) guidance. As part of this commitment, and as required under Modulaire Group's sustainability-linked financing, the Group has set a target to progressively reduce Scope 1, 2 market-based, and Scope 3 emissions in metric tonnes of CO₂e.

Starting from a baseline year of 2020, for Scope 1 and 2 emissions, the Group's goal is to achieve an absolute reduction of 2.5% each year until 2028. For Scope 3 emissions, starting from a baseline year of 2022, the Group's goal is to achieve a reduction of 25% by 2030. These targets are applicable to Algeco UK. This demonstrates our strong commitment to environmental sustainability and our proactive efforts to minimise our carbon footprint.

2024 – 2025 Target (KPI)

- 7.5% absolute reduction in Scope 1 and 2 market-based emissions (vs 2020) by 2024
- 10% absolute reduction in Scope 1 and 2 market-based emissions (vs 2020) by 2025
- Reduction of embedded carbon footprint (A1-A5) of a typical modular space unit vs 2020 by 2025¹.

¹ 2020 Product footprint analysis of a typical Modulaire unit based on: • Stage A1-A5 (sourcing, manufacturing and transporting to site) approximately 200 (kgCO₂e/m²) v 700-800 (kgCO₂e/m²) for a traditional build. This equates to approximately 73% less carbon emissions compared to a traditional build.



Emissions Footprint Reporting Methodology

Our parent company, Modulaire Group, engaged PricewaterhouseCoopers LLP (PwC) to provide an Independent Limited Assurance across its entities (Algeco UK included) in accordance with the ISAE3000 and ISAE3410 standards. This assurance covers the Modulaire Group's Scope 1 and 2 greenhouse gas emissions data for the baseline year of 2020, as well as the data for 2024. By the time this report is written, the 2024 data is being limited assured and expected to be completed and disclosed in May 2025.

The Group's Corporate GHG (Greenhouse Gas) footprint calculation follows the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. To establish a baseline GHG footprint for our business, the Group collected energy data from each business unit of Modulaire Group, including Algeco UK. It's important to note that in 2023, the Group restated its emissions as a result of acquisitions, which aligns with its methodology statement, which is available on Modulaire Group's website.

The UK Government Greenhouse gas reporting: conversion factors 2024 (DESNZ 2024 factors²) have been used for fuel consumed in all countries to determine Scope 1 emissions. Under the location-based method, DESNZ factors have been used for the UK operations and IEA Emission Factors 2024 Edition³ (IEA 2023 factors including international trade adjustment) have been used for all other countries. Under the Market-based method, the emissions factors are applied using the following hierarchy in accordance with Table 6.3 in the GHG Protocol Scope 2 Guidance below:

- Energy attribute certificates or equivalent instruments (unbundled, bundled with electricity, conveyed in a contract for electricity, or delivered by a utility).
- Contracts for electricity, such as power purchase agreements (PPAs) and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim.

² Available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

³ <https://www.iea.org/data-and-statistics/data-product/emissions-factors-2024>

- Supplier/Utility emission rates, such as standard product offer or a different product (e.g., a renewable energy product or tariff), that are disclosed (preferably publicly) according to the best available information.
- Residual mix (subnational or national) that uses energy production data and factors out voluntary purchases. Taken from AIB's European residual mix 2022 (AIB 2022⁴).
- Other grid-average emission factors (subnational or national) – see 'Location-based method' above.

These technicalities and reporting standards ensure transparency and adherence to recognised protocols in measuring and reporting our greenhouse gas emissions.

Algeco UK Metrics

Emissions by GHG category in tCO ₂ e	Actual*					Projected**		Comments
	2020 baseline	2021	2022	2023	2024	2030	2050	
Scope 1	8,187	8,695	7,661	7,267	6,923	3,643	819	
Scope 2 market-based	2,187	2,083	1,965	509	114	973	219	
Scope 2 location-based	1,468	1,144	1,076	1,152	996	N/A	N/A	
Scope 3	N/A	N/A	143,467	175,597	159,461	107,600	14,347	
<i>Upstream transport and distribution</i>	N/A	N/A	10,152	15,525	10,385	7,614	1,015	
<i>Waste generated in Operations</i>	N/A	N/A	224	237	122	168	22	
<i>Business travel</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<i>Business travel emissions have been excluded from Modulaire Group's carbon target boundary because it is de minimis (0.42% of overall Scope 3 emissions).</i>
<i>Employee commuting</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<i>Employee commuting emissions have been excluded from Modulaire's carbon target boundary because it is de minimis (0.18% of overall Scope 3 emissions).</i>
<i>Downstream Transportation and Distribution</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<i>Downstream transport and distribution include emissions directly paid for by the customer. Algeco UK pays for all outbound transport from our service centres and includes it in Upstream transport as per the GHG protocol.</i>
<i>Others</i>	N/A	N/A	133,092	159,836	148,954	99,819	13,309	<i>All other GHG category emissions.</i>
Total Scope 1, 2 market-based	10,374	10,777	9,626	7,775	7,037	4,616	1,037	
Total Scope 1, 2 market-based, and 3	N/A	N/A	153,093	183,372	166,498	112,217	15,384	

⁴ Available at https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_inclAnnex.pdf

Note:

**Data of our actual emissions between 2020 and 2023 for scopes 1 and 2 was limited-assured by PwC (as described above). However, the 2024 actual emissions are not limited-assured. We expect to publish the Limited Assurance Report from PwC and our limited-assured 2024 data in May/June 2025.*

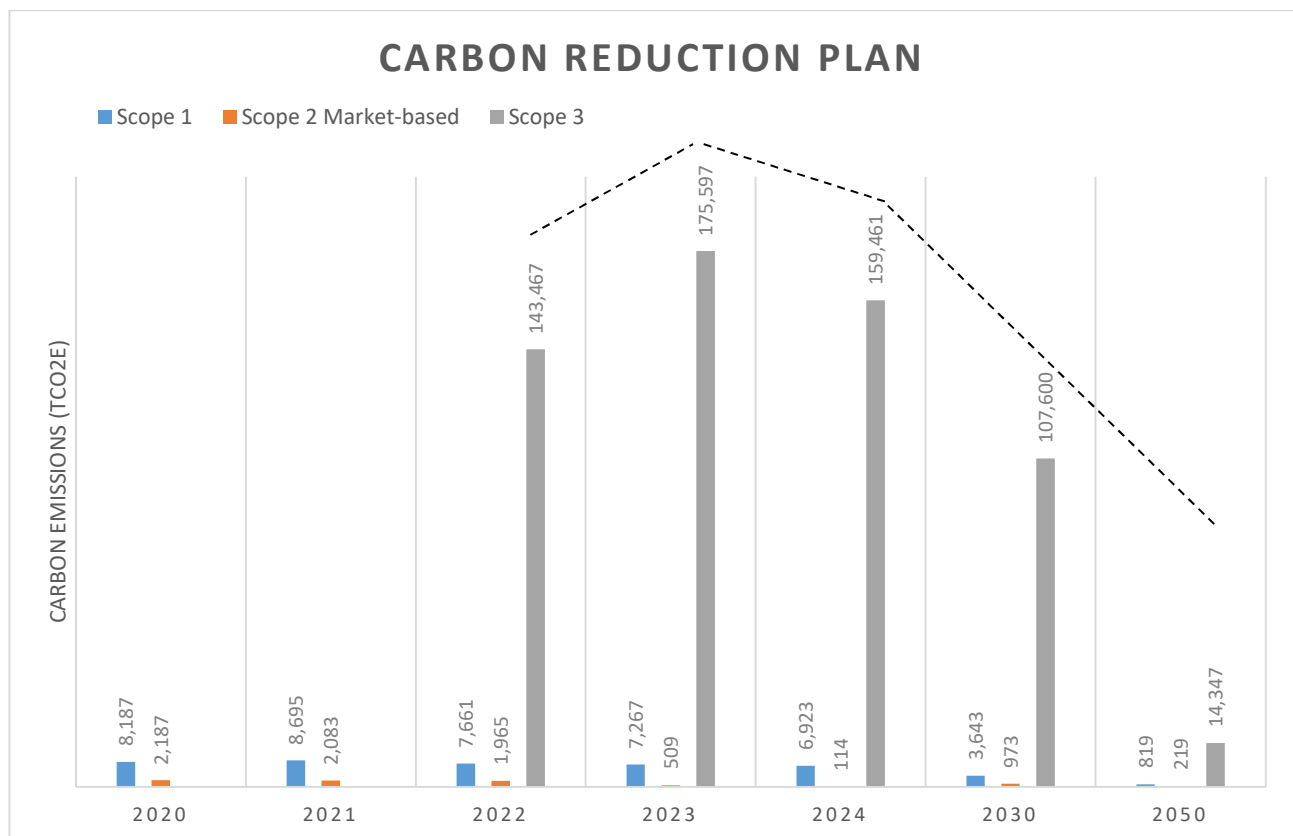
Scope 1, 2 data for 2020-23 are slightly varied compared to our last published Carbon Reduction Plan (2024). The difference was caused by our re-baselining/re-stating & data consolidation exercise.

***The emissions projections for the years 2030 and 2050 are based on the current SBTi modelling: applying a reduction of 55.5% by 2030 for Scope 1 & 2 market-based emissions in comparison to our 2020 baseline year, a reduction of 25% for Scope 3 by 2030 in comparison to our 2022 baseline year, with the application of a 90% reduction in all three scopes by 2050 reflected under the SBTi Net Zero Definition⁵.*

Baseline emissions are a record of the greenhouse gases produced in the past before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. 2020 is our baseline year for scope 1 and 2 market-based emissions. For scope 3 emissions, the baseline year is 2022.

By adopting a comprehensive sustainability-linked financing framework and committing to external reporting, we demonstrate our commitment to Modulaire group's sustainability agenda and determination to reach net-zero emissions by 2050.

Algeco UK's Progress against these targets can be seen in the graph below:



⁵ <https://sciencebasedtargets.org/net-zero>

Actions to reduce Scope 1, 2 market-based:

Since 2020, we have been actively implementing various environmental management measures and projects. These initiatives enabled us to exceed our reduction targets in 2024: Algeco UK reduced 32.16% of scope 1 and 2 market-based emissions.

Our action plan for Scope 1 and 2 emissions in 2024 includes the following key points:

- **Resource Efficiency:** We are addressing resource efficiency opportunities throughout our operations, such as optimising occupancy control lighting, HVAC control settings, and more.
- **Electrification:** We have switched our equipment and vehicles to electric options, contributing to the reduction of emissions.
- **Renewable Energy:** We are sourcing renewable electricity. Our purchased renewable energy is fully supported by unbundled Guarantee of Origin (GO) certificates.
- **Behavioural Change:** We have been implementing various employee awareness training programmes to promote individual actions towards ESG & resource efficiency behaviours.

Actions to reduce Scope 3

- We have offered products and technologies that help reduce the operational carbon footprint of our units for our customers.
- We have reduced third-party deliveries while optimising our logistics to reduce our transport and distribution emissions.
- Moving forward, we aim to purchase products with low carbon emissions to reduce the embodied carbon of our products.

Our approach to ESGs

Our ESG and Sustainability strategy aligns with Modulaire Group's overarching strategy, integrating three key frameworks: the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), and the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, Modulaire Group commits to the Science-Based Targets initiative (SBTi) to develop and disclose pathways towards Net Zero emissions by 2050. These frameworks complement our business model, which is built upon the principles of the circular economy.

We specifically align with six SDGs that are in line with our business purpose, vision, and operations. These SDGs include Responsible Consumption and Production (SDG 12), Industry Innovation and Infrastructure (SDG 9), Climate Action (SDG 13), Quality Education (SDG 4), Gender Equality (SDG 5), and Sustainable Cities and Communities (SDG 11).

To monitor our progress and ensure adherence to our goals, we track and report on Key Performance Indicators (KPIs) related to greenhouse gas emissions. These KPIs are included in the senior team's reports, enabling us to measure our performance and stay within defined limits.

Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with the published reporting standard for Carbon Reduction Plans, PPN 006/21⁶, and the GHG Reporting Protocol corporate


⁶ <https://www.gov.uk/government/publications/ppn-006-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts/ppn-006-technical-standard-for-completion-of-carbon-reduction-plans-html#meeting-the-reporting-requirements>

standard⁷. The Plan uses the appropriate UK Government emission conversion factors for greenhouse gas company reporting⁸.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements and Modulaire Group Methodology statement as previously described under 'Emissions Footprint Reporting Methodology' on Page 3. The required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁹. The Plan will be updated annually following the PPN 006/21 guidance.

The board of directors (or equivalent management body) has reviewed and approved this plan.

Signed on behalf of Algeco UK Limited:


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Ceredig Jones, UK CFO

Date: 6 May 2025
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⁷ <https://ghgprotocol.org/corporate-standard>

⁸ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁹ <https://ghgprotocol.org/standards/scope-3-standard>