

Task Force on Climate-related Financial Disclosures ("TCFD") report

Videndum 2025 Non-financial and Sustainability Information Statement

Introduction

Videndum has complied with the requirements of UK Listing Rule (LR) 6.6.6R(8) by including climate-related financial disclosures, consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, where stated. Videndum is producing this statement to explain consistency with TCFD, as well as comply with the climate-related financial disclosure ("CFD") requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. We are consistent with eight of the eleven TCFD recommendations for 2025. Due to the operational and market challenges Videndum has experienced this year we have excluded disclosures relating to metrics and targets (TCFD recommendations Metrics and Targets a, b and c). This reflects increased pressures and priority to restructure the business. In addition, several governance activities such as ESG steering group were suspended. We have decided to stop measuring scope 3 emissions due to the effort required and the subjective nature of such measurements. We continue to monitor scopes 1 and 2 and we are reassessing our long-term goals in this area. In this context, the net zero commitments previously declared are no longer valid and will be reassessed following completion of this restructuring activity.

Governance and risk management

The Group's governance framework is designed to support sustainable performance and strengthens resilience across operations and the supply chain. ESG considerations, including climate-related risks and opportunities, are integrated into this framework and coordinated at a Group level, with a consistent focus on material issues relevant to the business and its stakeholders.

The Board retains overall responsibility for ESG and climate-related matters, delegating the identification, assessment, and ongoing management of climate risks and opportunities to Risk Assurance, supported by the ESG Working Group. The Board receives climate-related updates periodically, with fewer updates in 2025 due to the restructuring priorities.

An annual climate risk assessment underpins this approach and is summarised in the table below.

Due to the Group's strategic focus on site consolidation, certain energy efficiency initiatives have been deferred. This overall approach will be reassessed in 2026.

Climate-related risks and opportunities are identified through ongoing monitoring of external developments, such as legislation and market changes, alongside input from internal teams. These are further evaluated through an annual climate risk management workshop, where scenario analysis is reviewed and risks are assessed in terms of their potential impact, likelihood, and mitigation strategies. This process also supports the ongoing development of climate-related expertise within the Group.

Strategy

In line with TCFD recommendations, Videndum considers the use of climate scenario analysis to assess potential transition and physical risks and opportunities arising from climate change and their potential impact on the business model.

The scenario analysis looks at three time horizons (as per prior year: short (2025-2029), medium (2030-2039) and long (2040-2059)) across three distinct warming pathways as per prior years (Proactive, Reactive and Inactive scenarios). These offer valuable insights into when and how climate-related impacts may arise. We map both physical and transition risks. Transition risks arise from society's shift towards a low-carbon economy and include regulatory changes, evolving market expectations, and technological developments. Transition risks are identified at the Group level and may require the Group to adapt its strategy and operations to remain compliant, resilient, and competitive. Physical risks relate to the direct impacts of climate change, including flooding, heatwaves, wildfires, and water stress. Physical risks can be acute (event-driven, such as heatwaves) or chronic (long-term shifts in climate patterns, such as rising mean temperatures). Physical risk scenario analysis was performed at Divisional site level.

The Group's strategy around climate change focuses predominantly on improving Videndum's resilience to climate change. As referenced above, during 2025 the Group's focus has been on restructuring operations with limited actions taken in respect of climate change. The Group will re-evaluate its strategy in respect of climate change during 2026.

Climate related risks and opportunities

The following risks and opportunities have been identified as the most significant. Climate change as an overall risk is no longer identified as a principal risk due to a reduction in stakeholder concern driven also by the proliferation of "competing" risks (AI, armed conflict and other geopolitical issues). The mitigation responses are intended to improve the Company's resilience to climate change. The Group will continue to monitor the potential impacts in 2026 and future years.

Type	Risk / Opportunity	Likelihood & Impact	Key Impacts	Mitigations / Responses	Timeframe
Transition Risk	Enhanced emissions reporting	Almost certain, Low	Higher compliance, reporting, verification costs	Internal resources, regulatory monitoring	Short to long-term
	Product & packaging regulation	Probable, Moderate	Higher product/material costs, redesign needs, compliance with laws and regs (e.g. EPR)	Sustainable/recycled/FSC packaging, reduced plastics, eco-friendly materials Monitoring EPR legislations	Short to long-term
	Rising energy & raw material costs	Likely, Moderate	Higher energy, logistics, material costs	Commodity monitoring, EPR compliance, energy efficiency, renewable energy and solar panels	Short to Long-term
	Transition to low-emission technology	Probable, Moderate	Capital expenditure; short-term productivity loss	Energy efficiency investments, site upgrades, equipment replacement	Medium-term
Physical Risk	Heatwaves	Probable, Moderate	Higher cooling costs, operational disruption	Solar energy, HVAC upgrades, heat protocols, backup generators	Medium to Long-term
	Fluvial flooding	Possible, Moderate	Property damage, operational delays	Drainage systems, site maintenance, flood risk monitoring, insurance	Medium to long-term
	Wildfires	Probable, Moderate	Inventory loss, operational disruption, higher insurance	Fire safety systems, evacuation planning, insurance coverage	Short to long-term
	Rising temperatures	Almost certain, Moderate	Energy costs, asset wear, reduced productivity	Cooling systems, insulation, adjusted work practices, renewable energy	Short to Long-term
	Sea level rise	Probable, Moderate	Logistics disruption, higher transport costs	Supply chain mapping, alternative routes, disaster recovery plans	Medium to Long-term
	Water stress	Probable, Moderate	Water cost increase, supply chain disruption	Water efficiency initiatives, monitoring consumption	Long-term
Opportunity	Resource efficiency	Almost certain, Moderate	Lower operating costs, better asset value	Energy-saving technologies, waste reduction, recycling programmes	Short to Long-term
	Energy sources	Almost certain, Moderate	Lower emissions/costs, potential income	Solar panels, renewable energy, fleet electrification, energy optimisation Reduced energy cost through solutions such as solar panels, LED lights	Short to Long-term
	Resilience	Almost certain, Moderate	Reduced disruption/costs	Supplier diversification, business continuity planning, local sourcing	Short to Long-term

TCFD report continued

Metrics and targets

Videndum has withdrawn its net zero emission commitments and decided to discontinue the measurement of scope 3 (indirect emissions), except for "grey fleet" emissions (see below). This will be revisited as and when the restructuring activities are complete and once further clarity is established regarding the long-term direction of the Group.

Nonetheless, the Group continues to actively monitor scope 1 and 2 emissions and has implemented various measures to reduce emissions. The measures have involved several energy-savings projects and we will continue to evaluate energy saving opportunities.

Streamlined Energy Carbon Reporting (SECR)

This section summarises the energy usage, associated emissions, energy efficiency actions and energy performance for the Group, under the government policy Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Carbon emissions are categorised as follows:

Scope 1: Consumption and emissions related to direct combustion of natural gas, fuels utilised for transportation operations, such as company vehicle fleets, refrigerant gases, and any other fuels.

Scope 2: Consumption and emissions from indirect emissions, relating to the consumption of transport, purchased electricity, heat, and steam in daily business operations.

Scope 3: Energy and emissions from business travel conducted in vehicles not owned or operated by the Group, otherwise known as Grey Fleet mileage.

Total consumption (kWh) figures for energy supplies reportable by the Group.

UK (kWh) 2025	UK (kWh) 2024	UK (kWh) 2021	Global (excluding UK) (kWh) 2025	Global (excluding UK) (kWh) 2024	Global (excluding UK) (kWh) 2021	Total Global kWh 2025	Total Global kWh 2024	Total Global kWh 2021
Scope 1 – Gaseous and other fuels (voluntary)								
671,926	752,858	945,124	3,110,328	4,395,143	4,053,757	3,782,254	5,148,001	4,998,881
Scope 1 – Transport (Company fleet)								
74,451	105,884	236,608	359,286	430,120	1,093,729	433,737	536,004	1,330,337
Scope 2 – Grid electricity								
1,158,598	1,292,762	1,716,613	5,613,870	6,874,583	8,709,990	6,772,468	8,167,346	10,426,603
Scope 2 – Self-generated renewable electricity*								
425,430	371,077	–	1,479,676	1,131,794	–	1,905,106	1,502,871	–
Scope 2 – Transport (Company fleet)								
3,309	28,265	6,473	–	346	–	3,309	28,611	6,473
Scope 2 – Purchased heat, steam and cooling								
555	1,239	9,148	–	–	–	555	1,239	9,148
Scope 3 – Grey fleet								
104,129	154,266	51,642	16,027	12,582	49,342	120,156	166,847	100,984
Total energy use – All scopes								
2,438,398	2,706,351	2,965,608	10,579,187	12,844,569	13,906,818	13,017,585	15,550,920	16,872,426

* Self-generated electricity is being reported for the first time as data has now become available. This represents solar PV electricity being generated and directly consumed across our sites.

The Total Carbon Emissions (tCO₂e) figures for Group.

UK (tCO ₂ e) 2025	UK (tCO ₂ e) 2024	UK (tCO ₂ e) 2021	Global (excluding UK) (tCO ₂ e) 2025	Global (excluding UK) (tCO ₂ e) 2024	Global (excluding UK) (tCO ₂ e) 2021	Total Global (tCO ₂ e) 2025	Total Global (tCO ₂ e) 2024	Total Global (tCO ₂ e) 2021
Scope 1 Total								
142	164	228	656	904	1,002	798	1,231	1,231
Scope 1 – Gaseous and other fuels (voluntary)								
123	139	173	572	806	745	695	945	919
Scope 1 – Transport (Company fleet)								
18	25	55	84	98	257	102	123	312
Scope 1 – Refrigerants								
1*	1*	–	0	1*	–	1*	1*	–
Scope 2 Total								
207	274	367	1,808	2,131	2,167	2,015	2,405	2,535
Scope 2 – Grid electricity								
205	268	364	1,808	2,131	2,167	2,013	2,399	2,532
Scope 2 – Transport (Company fleet)								
1	6	1	0	1*	–	1	6	1
Scope 2 – Purchased heat, steam and cooling								
1*	1*	2	0	–	–	1*	1*	2
Scope 3 Total (Grey fleet)								
24	35	12	4	2	12	28	37	24
Total emissions – All scopes								
373	473	607	2,468	3,038	3,181	2,841	3,510	3,790

* These values are less than 0.5 tCO₂e and have been rounded up.

Intensity metric of tCO₂e per £million (£m) turnover applied for the annual total location-based emissions.

UK Intensity Metric 2025	UK Intensity Metric 2024*	UK Intensity Metric 2021	Global (excluding UK) Intensity Metric 2025	Global (excluding UK) Intensity Metric 2024*	Global (excluding UK) Intensity Metric 2021	Total Global Intensity Metric 2025	Total Global Intensity Metric 2024*	Total Global Intensity Metric 2021
17.31	18.89	4.79	11.96	11.88	11.89	12.46	12.50	9.61

* The FY2024 metric has been restated from 283.90 (£m) to 280.82 (£m) following the availability of updated metric data after delivery.

TCFD report continued

Energy efficiency improvements

Videndum is committed to improving energy efficiency throughout the Group. However, the strategic focus is currently placed on site consolidation. Energy efficiency projects will take priority once the site consolidation process is complete. VPS and VMS vehicle fleet composition shows a shift toward lower-emission vehicles, with the fleet now comprising 15% diesel, 33% fully electric, 7% hybrid, and 45% plug-in hybrid vehicles.

Methodology

For UK operations, Scope 1 and 2 energy use and associated CO₂e emissions have been determined using the Greenhouse Gas ("GHG") Protocol and the UK Government's 2019 environmental reporting guidance. The calculations apply the gross calorific values (kWh, CV) and emissions factors (kgCO₂e) relevant to the reporting period of 1 January to 31 December 2025.

The 2024 intensity metric has been restated from 283.90 (£m) to 280.82 (£m) following the availability of updated metric data after delivery of the previous disclosure.

Scope 1 emissions

Direct emissions from our operations, such as fuel combustion, are categorised under Scope 1. To convert Scope 1 natural gas usage in the UK, the UK DESNZ 2025 emissions factors database was used. UK natural gas factors have been used for all natural gas calculations.

Scope 2 emissions

Scope 2 emissions are indirect emissions generated from transport, purchased electricity, heat and steam and are calculated based on both the "location-based" and "market-based" methods outlined in the GHG Protocol.

Location-based methodology

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). Government Emissions Factor Database 2025 version 1 has been used, utilising the published kWh gross Calorific Value ("CV") and kgCO₂e emissions factors. For factors for non-UK countries, Association of Issuing Bodies ("AIB") & Ember databases were used.

Market-based methodology

Market-based Scope 2 emissions reflect the electricity that sites have actively chosen to procure, or the absence of such choices, using emission factors derived from contractual instruments such as REGO-backed electricity contracts, supplier-specific fuel mixes, and residual grid factors. These emissions are reported in tonnes of CO₂ only. For locations without applicable contractual data, country-specific location-based factors have been applied to ensure comprehensive and consistent reporting across all sites.