



ParkingeYE Limited

2019 and 2021

Carbon Footprint Analysis and Net Zero Strategy

Version 1.0

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Emissions Overview

The emissions by scope and subcategory for both reporting years can be seen in tonnes of CO₂ equivalent and as a percentage of the total in **the table below**.

Emissions profile

Reporting Year	2019		2021	
Source	Carbon Emissions (Tonnes CO ₂ Equivalent)	% of Total Emissions	Carbon Emissions (Tonnes CO ₂ Equivalent)	% of total Emissions
Intensity Metrics				
Emissions (tCO ₂ e) per FTE Employee	27.17	-	18.93	-
Emissions (tCO ₂ e) per Turnover (£M)	221.73	-	150.01	-
Scope 1				
Gas Consumption	28.93	0.29%	31.03	0.53%
Fuel (Company Owned Vehicles and Onsite Fuel)	615.54	6.16%	392.34	6.64%
Total Scope 1	644.48	6.44%	423.37	7.17%
Scope 2				
Electricity Consumption (Location Based)	79.27	0.79%	77.86	1.32%
Total Scope 2	79.27	0.79%	77.86	1.32%
Scope 3				
Purchased Goods and Services	2,849.16	28.49%	2,293.29	38.83%
Capital Goods	3,644.03	36.44%	1,251.87	21.19%
Fuel and Energy Related Activities	157.73	1.58%	107.96	1.83%
Upstream Transportation and Distribution	135.92	1.36%	209.49	3.55%
Waste Generated in Operations	4.13	0.04%	4.02	0.07%
Business Travel	163.21	1.63%	57.40	0.97%
Employee Commuting	153.58	1.54%	130.21	2.20%
Upstream Leased Assets	124.57	1.25%	32.59	0.55%
Downstream Transportation and Distribution	0.55	0.01%	0.58	0.01%
Use of Sold Products	2,043.62	20.44%	1,318.10	22.32%
Total Scope 3	9,276.51	92.76%	5,405.50	91.51%
Total Emissions	10,000.25	100%	5,906.72	100%

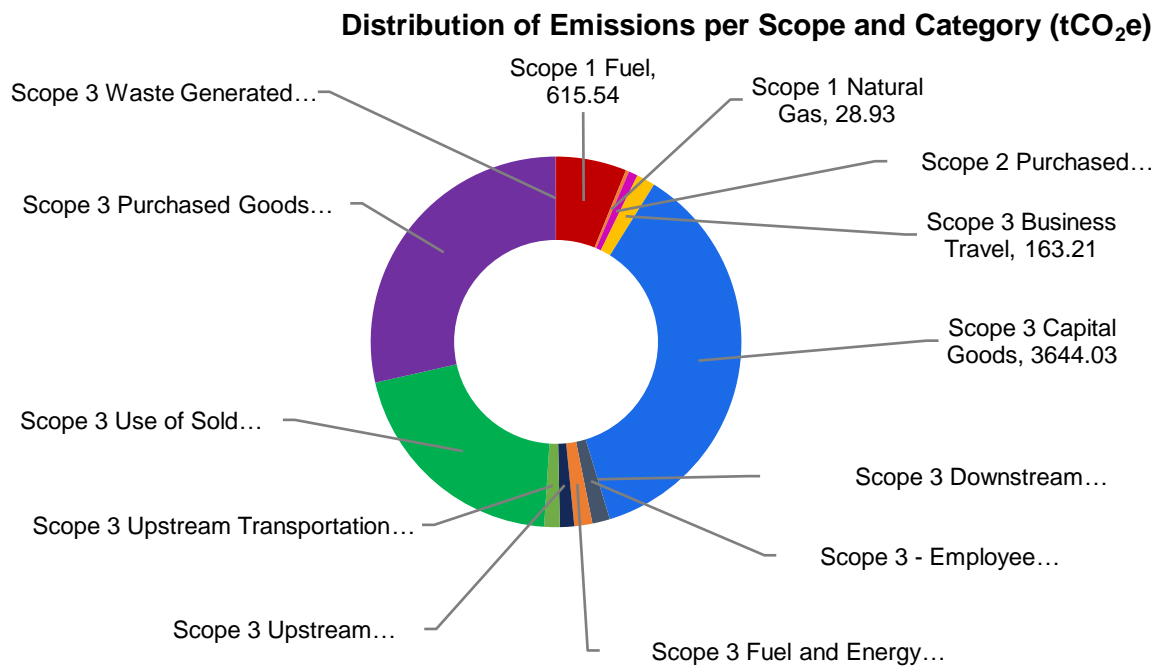
2019 Emissions Summary

In 2019, Scope 3 *Capital Goods* represented the most significant portion of emissions, constituting 36.44% of the total greenhouse gas emissions. Following closely were Scope 3 categories 1 and 10, corresponding to *Purchased Goods and Services* and *Use of Sold Products*, respectively.

It is vital to highlight that the goods and services acquired in 2019 were split into Scope 3 categories 1 (*Purchased Goods and Services*) and 2 (*Capital Goods*) by Parkingeeye and their internal accounting procedures.

The notable prominence of emissions from *Capital Goods* can be attributed to the substantial quantity of high-value items essential for Parkingeeye's operational activities - encompassing cameras, IT apparatus, and additional machinery. Furthermore, capital goods generally bear a higher cost compared to purchased goods.

The three aforementioned categories overshadow the remaining emissions throughout all three scopes, with the most emissions intensive Scope 1 or 2 category – company owned vehicles - appearing fourth overall. As is commonly observed in organisations, Scope 3 was responsible for the majority of the emissions distribution, accounting for 92.76% of total emissions. The chart below provides a visual representation of emissions allocation across the different scope categories.

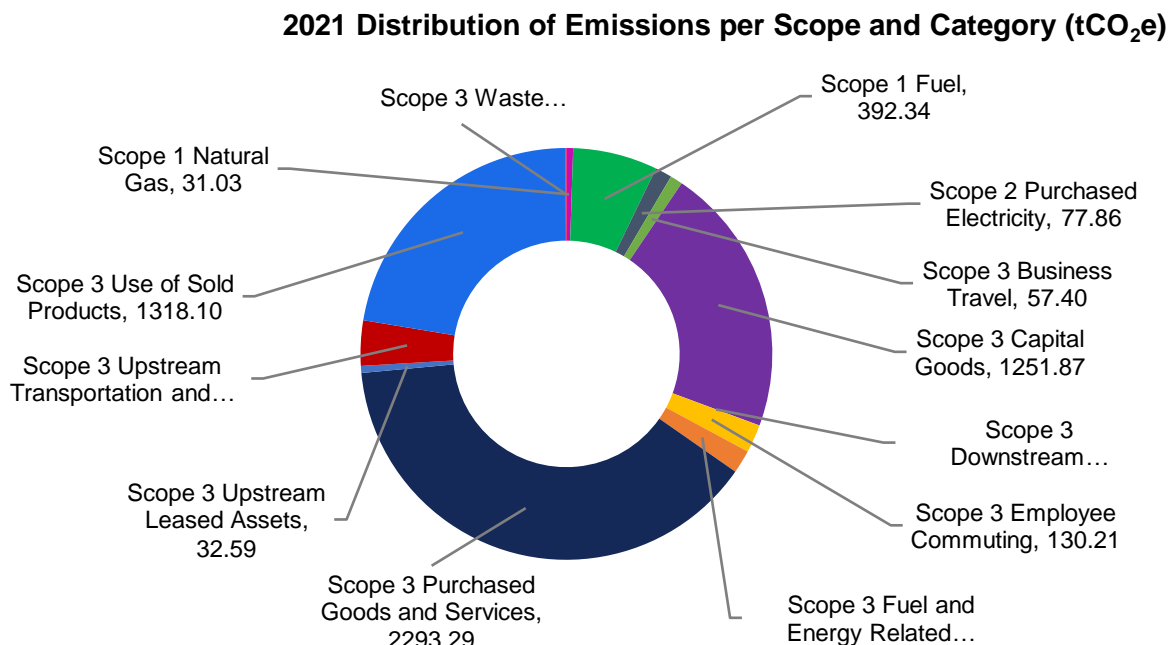


2019 Emissions distribution per scope and category (tCO₂e)

2021 Emissions Summary

In 2021, Scope 3 category *Purchased Goods and Services*, dominated with the highest proportion of emissions, contributing 38.83% to the overall emissions. This category is often a focal point for organisations engaged in the production, procurement, or sale of tangible goods. Additionally, Scope 3 categories *Use of Sold Products* and *Scope 3 Category 2: Capital Goods*, significantly shape the emissions landscape. Mirroring the trend from 2019, Scope 3 accounts for the largest share of the emissions distribution, contributing 91.51% of the total emissions.

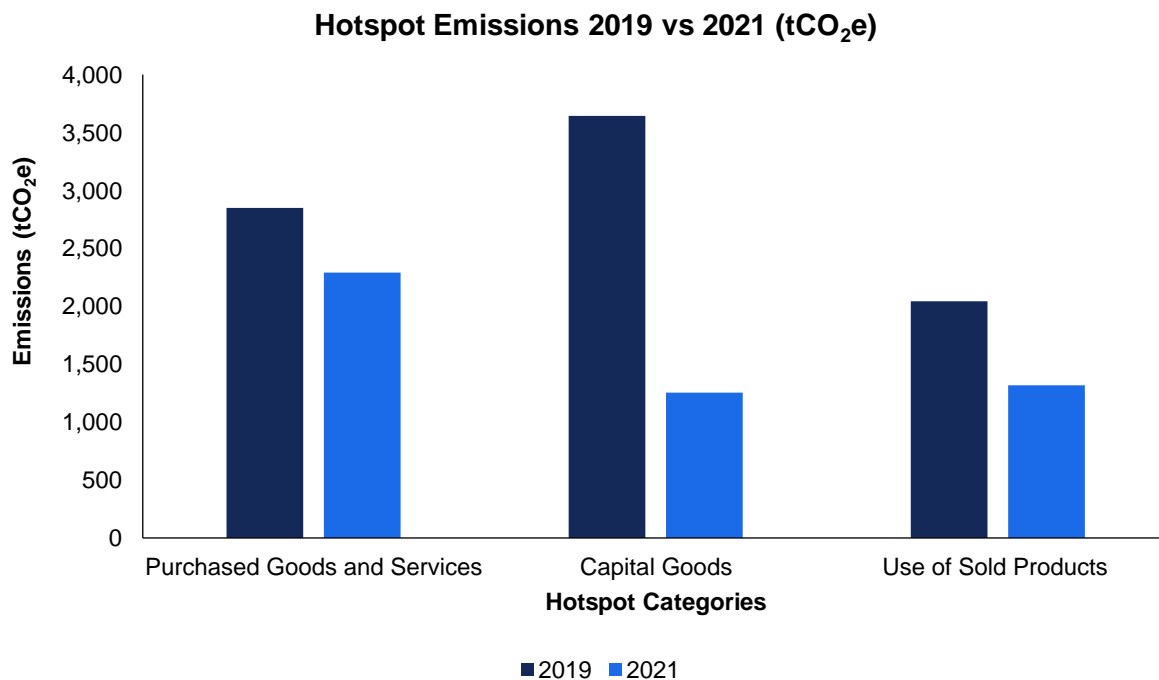
Echoing the observations from 2019, the aforementioned categories significantly overshadow the other categories within Scope 3, and they also markedly exceed the emissions from Scope 1 and 2. These three categories alone represent 82.33% of the 2021 carbon footprint. The chart below provides a detailed breakdown of the emissions allocations between scope categories.



2021 Emissions distribution per scope and category (tCO₂e)

Comparison of 2019 and 2021

For both reporting years, Scope 3 accounted for the major share of GHG emissions – 92.76% in 2019 and 91.51% in 2021. *Purchased Goods and Services*, *Capital Goods* and *Use of Sold Products* represented the three largest categories, all situated within Scope 3. However, the order of magnitude shifted between the two years, as illustrated below. Collectively, these three categories were responsible for over 80% of the total emissions in both reporting periods. This shift in emissions from the 2019 base year to the 2021 reporting year will be in part due to Covid-19; it is important to take this into account when comparing results.



Categories with the largest emissions in 2019 and 2021.

After Scope 3, the bulk of the residual emissions were attributed to Scope 1, with fuel combustion being the primary contributor. Scope 2 accounted for less than 2% of overall emissions in both years. From 2019 to 2021, while there was a 1.78% decrease in Scope 2 emissions, the relative proportion of Scope 2 emissions increased by 0.53%. This indicates that despite the general decline in emissions, the trajectory for Scope 2 emissions has slightly deviated from this overarching trend.

The magnitude of emissions in the Scope 3 categories *Purchased Goods and Services* and *Capital Goods* may be skewed by using predominantly a spend-based methodology. More detail on this can be found in the relevant sections.

Intensity Metrics

Intensity metrics serve the purpose of facilitating standardised comparisons between different reporting years and amongst different organisations within a shared sector. They allow companies to evaluate their environmental performance over time whilst accommodating scaling of their operations such as company growth, for example taking into account shifts in turnover or employees. However, as a company's turnover or workforce expands, intensity ratios could mask a surge in emissions. Therefore, it is important for businesses to maintain a commitment to reducing overall emissions, rather than solely concentrating on diminishing their emissions intensity.

Common intensity metrics of turnover and FTE employees, for both of Parkingeye's reporting years, are shown below.

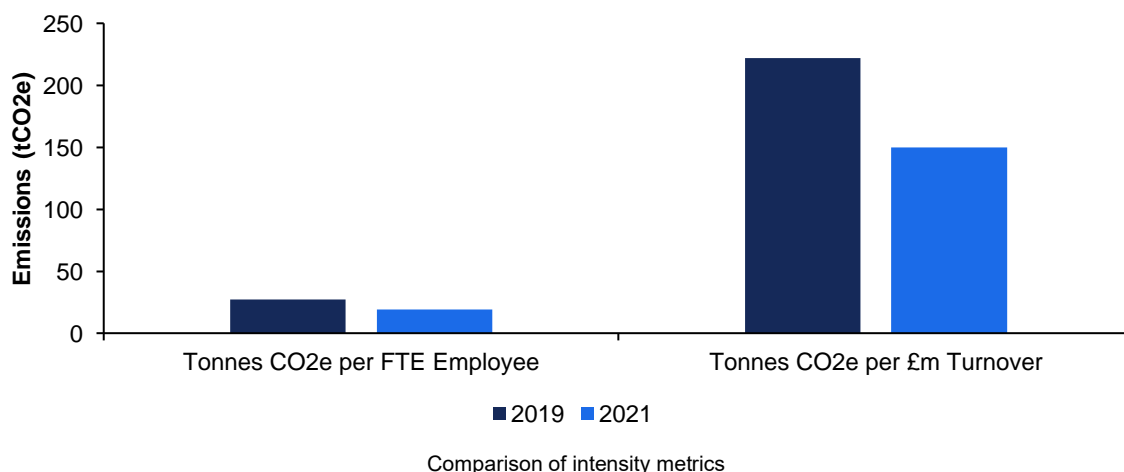
Turnover and employee numbers in 2019 and 2021

Reporting Year	2019	2021
Turnover (£M)	45.10	39.38
FTE Employees	368	312

The chart below presents a comparative analysis of the specified intensity metrics (tonnes of CO₂e per FTE Employee and per £m turnover) between the years 2019 and 2021. It highlights the reduction in emission intensity from 2019 to 2021, even when variations in the number of FTE employees and turnover are considered.

This offers evidence that Parkingeye has made strides in decreasing their emissions, as it is evident that the emissions reduction isn't merely due to changes in staff numbers and turnover.

Comparison of Intensity Metrics



Scope 1 Emissions

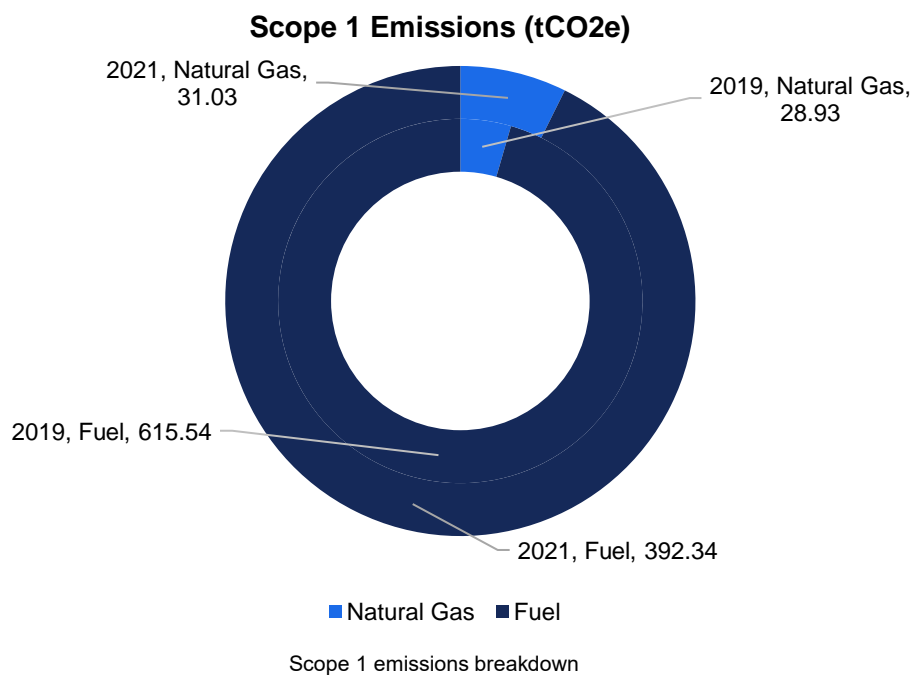
Scope 1 emissions are direct emissions arising from operations under Parkingeye’s direct control, comprising of emissions from natural gas usage, fuel usage from company owned or operated vehicles, and onsite tools.

The calculated Scope 1 emissions, which used DEFRA emission factors for the relevant years, are detailed in **the table below**. Scope 1 emissions made up a total of 644.48 tCO₂e in 2019, and 423.37 tCO₂e in 2021 – a 34.31% decrease over the two years.

Summary of Scope 1 emissions

Scope 1	2019		2021	
	Total Energy kWh	Total Emissions tCO ₂ e	Total Energy kWh	Total Emissions tCO ₂ e
Natural Gas	157,371.75	28.93	169,395.15	31.03
Fuel	2,519,087.21	615.54	1,658,462.01	392.34
Total	2,676,458.96	644.48	1,827,857.16	423.37

The chart below shows how the magnitude of different Scope 1 categories changed between the reporting years. Fuel for transport and tool use made up the largest proportion of Scope 1 emissions in both years, accounting for 95.51% of Scope 1 emissions in 2019 and 92.67% of emissions in 2021.



Methodology

Emissions associated with Scope 1 natural gas were calculated using invoices from suppliers which contained the consumption in kWh of all sites associated with Parkingeeye’s operations. The consumption was used in line with DEFRA natural gas emissions factors for the applicable years to convert raw data into applicable emissions.

Onsite fuels and fuels for transport emissions were calculated using a fuel card provided by Parkingeeye. The fuel card contained information regarding the purchases of fuel for both transport and tool use. For the purposes of calculating emissions, the litres of LPG (2021 only), petrol and diesel were used and assigned to applicable DEFRA emission factors. It was confirmed by Parkingeeye that LPG was only used in 2021, diesel usage was associated with company vans, and petrol usage was associated with tools onsite.

No extrapolations were required for the calculation of Scope 1 emissions.

Scope 2 Emissions

In the specified reporting years, Scope 2 emissions consisted of purchased electricity for buildings only.

In 2019, electricity consumption resulted in a total of 79.27 tCO₂e, and a total of 77.86 tCO₂e in 2021. The GHG emissions for Scope 2 are broken down in Table below.

These values were calculated using DEFRA emission factors specific to their respective years. The emission factor for UK electricity decreased between the reporting years, due to an increase in the share of renewable electricity in the National Grid, such as an increase in wind-sourced electricity from 19.9% to 22.2%. **The table below** lists the proportion of electricity sources within the National Grid in both reporting years. This explains why the total emissions for 2021 appear lower than those for 2019, despite an increased kWh usage of electricity.

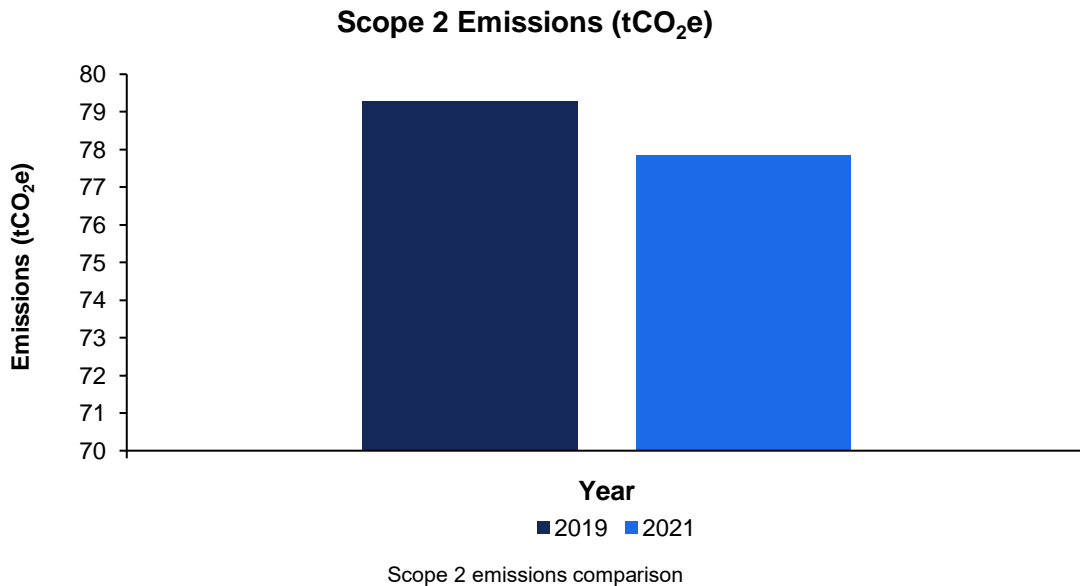
Scope 2 emissions summary

Scope 2 Category	Purchased Electricity	
	2019	2021
Reporting Year		
Total energy kWh	310,125.50	366,682.86
Emissions Factor	0.26	0.21
Total Emissions tCO ₂ e	79.27	77.86

Percentages of electricity sources in the National Grid in 2019 and 2021. (Energy Dashboard, 2023)

Source	Composition in 2019 (%)	Composition in 2021 (%)
Gas	39.3	37.3
Solar	3.9	4.1
Coal	2.1	1.7
Hydro	1.2	1.1
Wind	19.9	22.2
Misc	0.3	0.6
Imports	8.6	10.3
PSH	0.6	0.6
Biomass	5.9	6.7
Nuclear	18.1	15.4

The chart below shows the difference between Scope 2 emissions from 2019 to 2021. There was a 1.78% decrease in electricity emissions by Parkingeeye Limited between the two years.



Methodology

Available invoices from suppliers were used to obtain electricity consumption in kWh from all sites associated with Parkingeeye’s operations. Some consumptions required extrapolations to cover the full reporting period for both years. These extrapolations were conducted in line with DEFRA Greenhouse Gas Protocol best practice.

Following the extrapolation, kWh consumption for the year at each site was converted into emissions by applying DEFRA emissions factors for UK electricity using the applicable years.

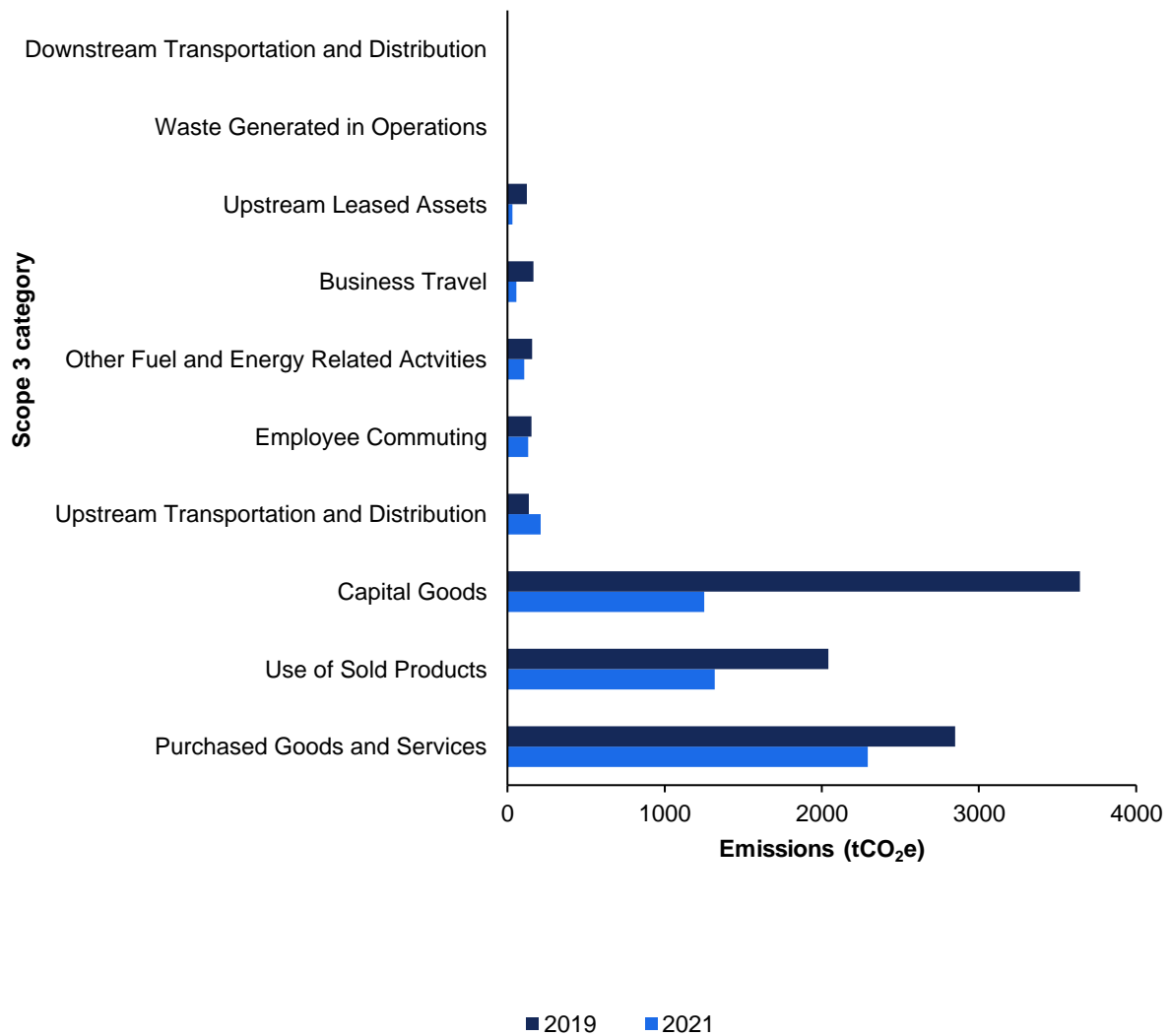
Scope 3 Emissions

Scope 3 GHG emissions are emissions associated with the consequences of Parkingeye’s activities; 15 categories make up Scope 3.

A breakdown of the material Scope 3 emissions in 2019 and 2021 is shown in the **chart below**.

The most emission-intensive categories in both years were *Purchased Goods and Services*, *Capital Goods*, and *Use of Sold Products* (in varying orders). The other applicable Scope 3 categories made up only small proportions of each Scope 3 footprint. Each category’s greenhouse gas emissions are outlined in more detail in the following sections.

Emissions (tCO₂e) by Scope 3 Category



Emissions by Scope 3 category

Purchased Goods and Services

The category *Purchased Goods and Services* includes the extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in categories 2-8 (World Resources Institute).

This category made up 28.49% of the 2019 carbon footprint, a total of 2,849.16 tCO₂e. In 2021, this reduced to 2,293.29 tCO₂e, however this time making up 38.83% of the carbon footprint.

Capital Goods

Capital Goods emissions originate from the extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year (World Resources Institute). In 2019, Parkingeeye Limited's *Capital Goods* emissions were 3,644.03 tCO₂e, accounting for 36.44% of the carbon footprint. The emissions were 1,251.87 tCO₂e in 2021 – 21.19% of the carbon footprint.

Fuel and Energy Related Activities

The category *Fuel and Energy Related Activities* accounts for emissions from the extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or Scope 2 (World Resources Institute).

These emissions include well-to-tank (WTT) emissions from fuels and transmission and distribution (T&D) losses emissions from electricity. In 2019, these totalled to 157.73 tCO₂e and in 2021, these totalled to 107.96 tCO₂e – 1.58% and 1.83% of the overall carbon footprints respectively.

Business Travel

Emissions from *Business Travel* are due to the transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company) (World Resources Institute).

It is important to note that COVID-19 drastically affected the amount of business travel in 2021, whereas 2019 was pre-pandemic. Due to this, 2019 *Business Travel* emissions made up 1.63% of the carbon footprint, at 163.21 tCO₂e. The emissions decreased by 64.83% by 2021, to 57.40 tCO₂e, making up 0.97% of the 2021 carbon footprint.

Employee Commuting

The *Employee Commuting* emissions are defined as the emissions from the transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company) (World Resources Institute).

The emissions for the 2019 carbon footprint analysis were estimated using a direct comparison methodology, scaled using employee numbers from the 2021 data, due to the inability of obtaining reliable data for 2019 at the time of the carbon footprint calculation. More details on the extrapolation are in the Error! Reference source not found..

In 2019, the total emissions were 153.58 tCO₂e whereas in 2021, the emissions dropped to 130.21 tCO₂e following the decrease in employee numbers. *Employee Commuting* accounted for 1.54% and 2.20% of total emissions in 2019 and 2021, respectively.

Upstream Leased Assets

Upstream Leased Assets emissions are defined as coming from the operation of assets leased by the reporting company (lessee) in the reporting year (World Resources Institute).

Emissions were much higher in 2019, at 124.57 tCO₂e, compared to the 32.69 tCO₂e in 2021. They made up 1.25% of the total carbon footprint in 2019 and 0.55% in 2021.

Downstream Transportation and Distribution

Emissions from *Downstream Transportation and Distribution* originate from the transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company) (World Resources Institute).

In both years, the emissions made up an almost insignificant proportion of the carbon footprints – 0.01% in 2019 and 2021. In 2019, the emissions were 0.55 tCO₂e and in 2021, the emissions were 0.58 tCO₂e.

Use of Sold Products

The *Use of Sold Products* category includes emissions from the end use of goods and services sold by the reporting company in the reporting year (World Resources Institute).

In both years, the emissions were notably substantial, constituting significant portions of the carbon footprints – accounting for 20.44% in 2019 and rising to 22.32% in 2021.

Downstream Leased Assets

Emissions from *Downstream Leased Assets* are defined as from the operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2 – reported by lessor (World Resources Institute).

This category is inapplicable to Parkingeeye and has therefore been excluded from this report.

Upstream Transportation and Distribution

Emissions in this category are from upstream transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics and transportation and distribution between a company's own facilities in vehicles and facilities not owned or controlled by the reporting company (World Resources Institute).

The emissions from *Upstream Transportation and Distribution* were 135.92 tCO₂e in 2019 and 209.49 tCO₂e in 2021. These accounted for 1.36% and 3.55% of the 2019 and 2021 carbon footprints, respectively.

Waste Generated in Operations

Waste Generated in Operations emissions come from the disposal and treatment (in facilities not owned or controlled by the reporting company) of waste generated in the reporting company's operations in the reporting year (World Resources Institute).

In 2019, the waste emissions made up 0.04% of the total carbon footprint, at 4.13 tCO₂e. Similarly in 2021, the emissions were 4.02 tCO₂e, making up 0.07% of the total carbon footprint.

Net Zero Strategy

The commitment to achieving Net Zero by 2050 is a resolute response to the pressing challenge of climate change. This challenge is no longer a distant concern: we are witnessing its impacts today. This commitment by Parkingeeye entails the reduction of greenhouse gas emissions to as close to zero as possible by 2050, following a trajectory aimed at limiting global warming to no more than 1.5°C above pre-industrial levels. It is crucial to act urgently to reduce emissions, thereby limiting further anthropogenic climate change. By doing so, Parkingeeye can demonstrate their dedication to environmental stewardship and their recognition of the imperative to work towards a sustainable future.

Investing in Net Zero initiatives at this juncture not only enhances Parkingeeye's brand image in the eyes of stakeholders but also confers a competitive advantage. It positions them favourably to navigate the risks associated with climate change by enabling them to adapt more seamlessly to a low-carbon operating environment.

Committing to Net Zero emissions by 2050 is not only a moral imperative but also a strategic business decision. It aligns with evolving societal expectations, regulatory trends, and the imperative to address climate change while offering various business benefits, including improved competitiveness and resilience.

Introduction to Carbon Reduction Measures

A range of carbon reduction measures have been identified. These are primarily divided into actions that Parkingeeye can implement themselves (corporate) and actions that are implemented external to the company but have an indirect effect on Parkingeeye (external).

The recommended actions are further divided into three distinct time horizons:

- Short: 0 - 5 years
- Mid: 5 - 10 years
- Long: 10 - 20 years

Emissions Targets

Parkingeeye Limited have set their Net Zero target year as 2050.

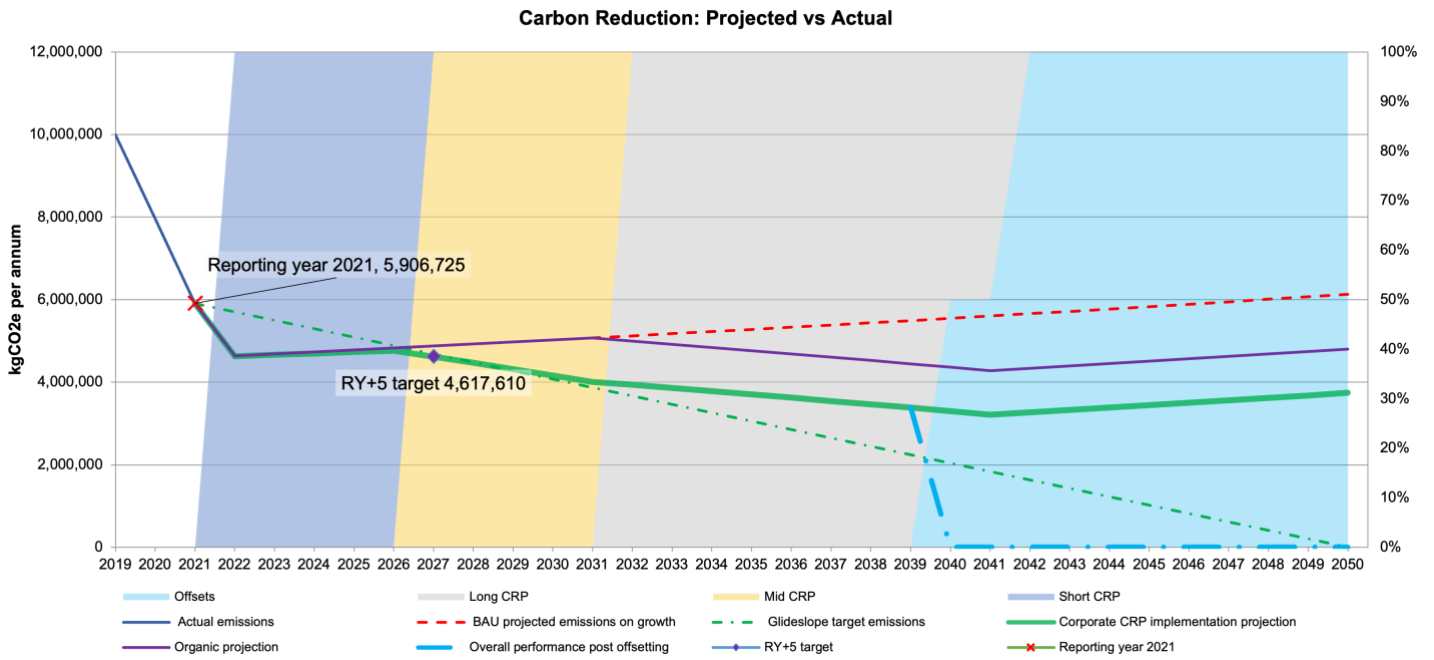
Carbon Reduction Projection

The Carbon Reduction Plan (CRP) implementation trajectory (solid green line) in **the chart below** shows that Parkingeeye should reach their lowest potential emissions by 2040/41 by implementing all short-, medium- and long-term CRP actions. Once they have reached their residual emissions, Parkingeeye will be required to offset the remaining emissions to achieve Net Zero status. Potentially reaching Net Zero by a 2040 target date would show commitment to sustainability across all three scopes, whilst being a realistic target for the organisation based on the reduction measures. Overall though, 2050 is the latest Net Zero goal we would recommend.

An explanation of each aspect of the graph is as follows:

- Actual emissions – solid dark blue line – Parkingeeye’s emissions.
- BAU projected emissions on growth – dotted red line – represents the projected CO₂e emissions if only company revenue changes in the future, predicted using a business growth factor. It does not consider changes in external environment, conditions, or infrastructure nor any sustainability changes within the company.
- Organic projection – solid purple line – represents the projected CO₂e emissions with no changes made within the company, but does include changes to the external environment, conditions, and infrastructure such as:
 - Capital goods suppliers carrying out their own carbon reduction measures
 - Reduction in carbon emissions of public transport (business travel)
 - Reduction in carbon emissions of public transport (commuting)
 - Reduction in carbon content of national grid electricity
- Glideslope target emissions – dotted green line – represents a linear reduction in emissions to reach Net Zero carbon emissions by 2050.
- Corporate CRP implementation projection – solid green line – represents the predicted effects of full implementation of the Carbon Reduction Plan (CRP) included in this report against the Organic projection.
- Overall performance post offsetting – dotted blue line – represents the path to achieving Net Zero emissions by offsetting all residual emissions. In this case it has been assumed that Parkingeeye would implement full offsetting of residual emissions in 2040.

- RY+5 target – purple diamond – the expected carbon emissions in five years from the reporting year, in kgCO₂e, considering any reduction actions implemented prior to this date.



Carbon Reduction Trajectory

Carbon Reduction Actions

Overview

Mitigation actions to reduce greenhouse gas emissions are shown below. This table shows the delivery classification (whether corporate or external) and time horizon of the reduction actions, as well as the forecasted percentage reductions in emissions per applicable scope and in the total reporting year emissions.

Each action is described in more detail in the following sections, which are categorised based on whether the action is corporate or external, and which time horizon estimated completion of the action falls under.

Carbon reduction actions and their projected reductions

Reduction Action	Time Horizon	External or Corporate?	% Reduction in Emissions for Applicable Scope	% Reduction on Total Reporting Year Emissions
Green driving policies for staff driving company vehicles	Short	Corporate	Scope 1 Fuel: 4.6%	0.3%
Purchase all electricity from renewable sources	Short	Corporate	Scope 2 Electricity: 0.0%	0.0%
Carry out site audit and implement all viable energy saving opportunities	Short	Corporate	Scope 2 Electricity: 40.0%	0.5%
Supply chain deep-dive to identify market perversions in production and delivery of goods or services	Short	Corporate	Scope 3, Purchased Goods and Services: 0.4%	0.2%
Carry out delivery consolidation actions on all items delivered to site	Short	Corporate	Scope 3: Upstream Transportation and Distribution: 0.2%	0.0%
Recycle electronic waste	Short	Corporate	Scope 3, Waste: 5.0%	0.0%
Reduce the use of paper across entire business	Short	Corporate	Scope 3, Waste: 0.0%	0.0%
Setup of a recycling station at Head Office	Short	Corporate	Scope 3, Waste: 0.0%	0.0%
Reduce purchases with plastic wrapping	Short	Corporate	Scope 3, Waste: 0.0%	0.0%
Increase recycling of equipment removed from site for spares and parts	Short	Corporate	Scope 3, Waste: 0.0%	0.0%
A reduction in business travel emissions by not using own car but cycling/walking/carpooling	Short	Corporate	Scope 3, Business Travel: 17.4%	0.1%
Reduction of business European flights	Short	Corporate	Scope 3 Business Travel: 30.0%	0.0%
Reduction of business train travel	Short	Corporate	Scope 3, Business Travel: 30.0%	0.0%
A reduction in business travel emissions by use of public transport instead of taxis / cars or by switching to electric	Short	Corporate	Scope 3, Business Travel: 10.0%	0.1%
Green commuting policies including car share programmes, working from home, awareness training etc.	Short	Corporate	Employee Commuting: 1.2%	0.0%
Decarbonise all heating assets with heat pumps, solar heating, IR heating etc.	Mid	Corporate	Scope 1 Natural Gas: 6.6%	0.5%
Conversion of fleet to EV	Mid	Corporate	Scope 1 Fuel: 74.1%	5.3%
Off-peak transport policies for all vehicular activity	Mid	Corporate	Scope 1 Fuel: 4.6%	0.3%
Supply chain "greening" to identify lower carbon suppliers	Mid	Corporate	Scope 3, Purchased Goods and Services: 10.0%	3.9%

Signed on behalf of the Supplier

Signature:



Philip Boynes - Chief Executive Officer

Date: 28th February 2024