



# VIX UK Carbon Reduction Plan

Financial Year 2023



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# Introduction

Climate change presents challenges that will be with us for generations to come.

While individuals can and must act to reduce carbon emissions, it is societal and institutional action, sustained through the decades, which must lie at the heart of meeting these challenges.

Vix is already making a positive contribution to the environment as a global leader in fare collection, transit information, and transit data. These technologies are a major step towards making public transportation responsive, efficient and an appealing alternative to the car—influencing modal shift for a more sustainable environment. Through partnership with passenger transport authorities and suppliers this will contribute to the UK government strategy of all new passenger vehicle sales to be zero emission by 2030.

Vix’s robust policy detailing our commitment and expectations demonstrates our progressive approach to greatly reducing the impact on our environment. Carbon emission baselines from 2020 were put in place to compliment the ISO14001 certification in place since 2011. The certification demonstrates compliance to national environmental standards, and a commitment to green initiatives across our organization—focusing on sustainable use of resources and reduction of waste.

ISO 14001 accreditation demonstrates to Vix customers, partners, and suppliers that we take sustainability seriously and strive to increase our green credentials through continuous improvement.

Vix UK has 131 employees with 19 working solely in the field from vehicles, the main body of the workforce work on a flexible working arrangement visiting offices when required.

All scope 1 and 2 emissions relevant to the operational control approach have been included and quantified, as well as all relevant and available scope 3 emissions in accordance with the GHG Protocol.

## Our Products

Vix tracks the lifecycle of our products ensuring that our products mitigate adverse environmental impacts and resource scarcity—as our environmental footprint can have a major effect in the regions in which we operate. We highlight which parts of the lifecycle we control, have influence, and work to ensure we reuse components where possible.

Our products and systems improve seamless transit, reducing waste and helping communities lessen congestion by encouraging people to take public transportation.

Specifically, the UK works closely with our business units and regions to measure our energy consumption reporting CO2 emission figures and allows us to make decisions on objectives and targets to further reduce our environmental impact.

Vix ensures that its products adhere to regional specific product declarations (CE mark, UKCA mark, Australian & New Zealand Tick mark, ISED)



# Supply Chain

## Supplier Code of Conduct

Corporate integrity, responsible sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to Vix. These core principles are reflected in this Supplier Code of Conduct (Code), which establishes the minimum standards that must be met by any organisation that supplies products or services to Vix (Suppliers).

All Suppliers must comply with this Code and all applicable laws and regulations where they operate. Suppliers are responsible for maintaining and enforcing equivalent standards within their own supply chain.

Through the Vix onboarding process we ensure that all products are correctly marked with UKCA labels, adhere to the RoHS compliance EU Directive 2011/65 and that the substances used in the products are verified against ECHA chemicals list as per REACH Compliance.

## Environmental Responsibility

Suppliers shall ensure that they comply with all applicable environmental laws, including laws and international treaties relating to waste disposal, emissions, discharges, and hazardous and toxic material handling.

We are working with our manufacturing partners to understand their zero-emission targets. We have a limited number of manufacturing locations, some of which are zero-emission facilities.

## Waste Generation and Landfill Diversion

Vix offices are considered small quantity waste generators and represent a low material risk, all waste created is removed using approved waste contractors. The waste generated is mainly diverted from landfill and recycled. Reports are generated monthly to monitor recycled waste, all waste follows the life cycle of product from component mining through to end-of-life disposal. Vix aims to continue to work with the waste contractors to maintain 95% and above diverted from landfill.

Vix hold registrations to UK Environmental Agency battery back and WEEE waste (electronic waste) compliance schemes through a governmental approved scheme supplier. Vix also monitor plastic packaging weights which are part of the equipment delivery.

## WEEE

Electrical and electronic equipment (EEE) is regulated to reduce the amount of waste electrical and electronic equipment (WEEE) incinerated or sent to landfill sites. E-waste is collected sorted and either reused or recycled as per governmental procedures with figures monitored and reported annually to the Environment Agency.

# Battery

You're a battery producer if you have a UK business presence and you're the point in the selling chain (including importers) to make batteries available for supply or sale on the UK market. Vix recognises this and reports all battery fitted equipment quarterly and annually as per the Environmental Agency requirements. This ensures that batteries are disposed of correctly and numbers entering the UK is monitored.

# Plastic Packaging Waste

The Plastic Packaging Tax (General) Regulations 2022 came into legislation on 1st April 2022. This is a tax that will apply to plastic packaging manufactured in, or imported into the UK, that does not contain at least 30% recycled plastic. Plastic packaging is packaging that is predominantly plastic by weight.

It will not apply to any plastic packaging which contains at least 30% recycled plastic, or any packaging which is not predominantly plastic by weight. If you: expect to import into the UK or manufacture in the UK 10 tonnes or more of finished plastic packaging components in the next 30 days. have imported into the UK or manufactured in the UK 10 tonnes or more of finished plastic packaging components since 1 April 2022.

Vix monitors sales and import figures for the weight to ensure we comply if the threshold is reached. Also, through the Vix approved supplier questioning gain commitment from suppliers to switch to greener practices and initiatives which include this regulation.

# Commitment to achieving Net Zero

Vix Technology Ltd is committed to achieving Net Zero emissions by 2050 in line with UK government timeline.



# Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Greenhouse gas emissions are conventionally classified into one of three “scopes”:

**Scope 1.** Direct emissions, primarily from carbon-based fuel combustion, including operational vehicles, but also fugitive emissions due to refrigerant leaks.

**Scope 2.** Emissions which arise from purchased electricity, heat, steam, etc. – but whose production is from carbon-based fuel.

**Scope 3.** All other emissions, notably those that arise from:

- Purchased goods and services.
- Business travel.
- Employee commuting.
- Waste disposal.
- Investments.

Baseline Year: 2020	
Additional Details relating to the Baseline Emissions calculations.	
<p>Most of our emissions come from indirect sources (scope 3), such as our supply chain, our client sites, and the ways in which we travel and commute. Only a small percentage comes from our direct operations (scope 1 &amp; 2), this means that reducing our impact will be spread across all areas of the business, it will also collaboration with colleagues, clients, suppliers, and stakeholders.</p> <p>We started calculating our baseline in FY 2019-20, since base lining we have looked at infrastructure on all fronts to reduce scope 1 &amp; 2 emissions but also third-party sources too. The road to net zero is continual work in process constantly looking at what we, our suppliers and clients can do to make permanent greener choices. We are committed to continuously improve our understanding of our carbon footprint remaining transparent throughout this process, and to take our stakeholders with us on our journey to Net-Zero.</p>	
Baseline year emissions	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	1.04
Scope 2	23.35
Scope 3 (Included Sources)	97.29 Our baseline scope 3 was taken from company expense claims, train travel, air travel booking, hotel stays and car hire. Also in scope is waste disposal for landfill and recycling.
Total Emissions	121.68

# Current Emissions Reporting

Reporting Year: Financial year 2023	
EMISSIONS	TOTAL (tCO2e)
Scope 1	64.8
Scope 2	58.54
Scope 3 (Included Sources)	70.86 Our baseline scope 3 was taken from company expense claims, train travel, air travel booking, hotel stays and car hire. Also in scope is waste disposal for landfill and recycling, all general waste is now diverted from landfill and recycled.
Total Emissions	194.2

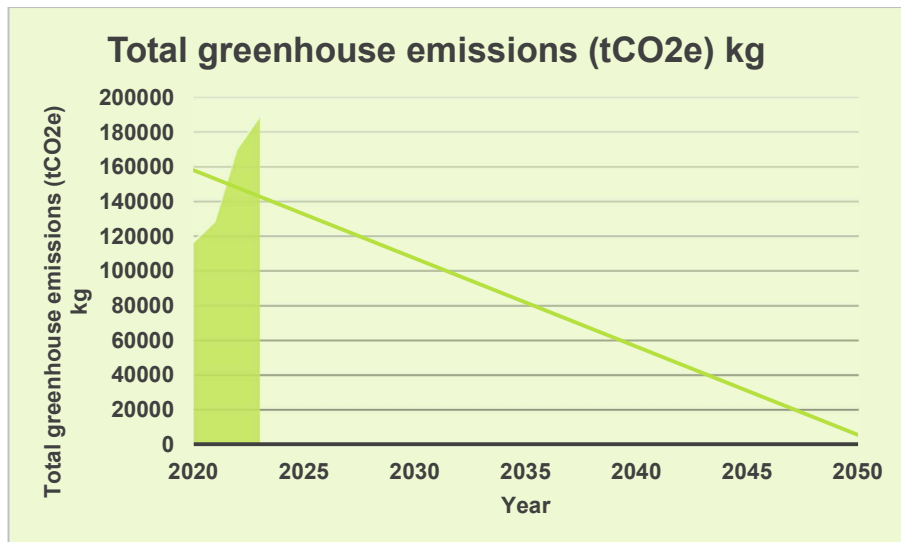
## Scope 3 Workings

In financial year 2024 we will be looking further into third party carriers with a view to incorporate emission data in our footprint. The work will ensure our scope 3 baseline for financial year 2024 will be robust and accurate. The table below shows our existing scope 3 emissions categories and how these will deliver the requirements of PPN06/21 in relation to scope 3 reporting.

		Vix Technology UK Ltd Scope 3 emissions categories				
		Vehicle mileage	Public Transport, Air Travel, private hire, and Hotel stays	Waste generated	The scope 1 and scope 2 emissions of suppliers	Employees
PPN06/21 Scope 3 reporting requirements	Upstream transportation and distribution				To be incorporated in FY2024 reporting. We are working with the distribution suppliers to include emission figures going forward. As most of project delivery is through clients transporting these figures have not been available.	
	Waste generated in operations			Waste generated from offices and field operations		

	Business travel	Mileage allowance paid to employees from home to worksite				
	Employee commuting		Commuting, regional, and international travel			Commuting, regional, and international travel
	Downstream transportation and distribution	Transportation to site for install and commission			To be incorporated in FY2024 reporting. We are working with the distribution suppliers to include emission figures going forward. As most of project delivery is through clients transporting these figures have not been available.	

Progress against these targets can be seen in the graph.





# Emission Reduction Targets

Our initial goal is to reduce CO2 intensity by 20% from our 2020 baseline by fiscal year 2030. As COVID-19 caused global companies to work in a hybrid setting, this target although remains in place will be affected. Travel decreased massively in 2020 and 2021 giving a huge downward trend in CO2 intensity recordings, these are projected to increase in 2022 and level off towards 2019/2022 figures. This will be apparent in trend analysis when released in subsequent updates.

Vix was awarded best remote working strategy for 2021. In the UK, we recorded a CO2 intensity reduction of 64% and expect to meet or exceed our initial target again in 2024. The shift to remote work and the reduction of our real estate footprint globally will offset a CO2 intensity reduction again for fiscal year 2022 through 2025 against the global shift in resuming travel.

## Scope 1 reductions

- These include renewing the service operations fleet to more emission friendly vehicles against electric vehicle supply investigations.
- Ensuring aircon systems are maintained to prevent refrigeration leaks and ensure TM44 checks are subjected to those that require.

## Scope 2 reductions

- These include reducing the energy usage where possible and real estate footprints where possible.
- Switching to greener energy tariffs for the offices ensuring a cost saving and adding to the Net Zero targets.

## Scope 3 reductions

- These include monitoring and measuring packaging waste against the government threshold and work with suppliers to use more than 30% recycled material for the packaging.
- Encourage existing suppliers to adopt greener processes and initiatives.
- Continue to look for alternative greener suppliers that can demonstrate real targets for Net Zero.
- Ensure new and existing suppliers comply with government targets and work towards or hold green credentials.
- Strive to reduce business air travel adopting more remote practices.
- Through Vix's scope of work and products encourage the switch to greener modes of transport, continue to look at smarter, easier ways to travel. Increased sales will increase passenger transport footfall.
- Introduce vehicle salary sacrifice scheme to encourage and give access to greener vehicles for all UK staff.
- Aim to increase waste recycling to 100% of waste generated by selecting suppliers that adopt greener practices and recycling methods.

# Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2020 baseline. The carbon emission reduction against the 2020 baseline and the measures will be in effect concurrently.

## Objectives and Targets

- Maintained Certification of ISO 14001 by:
  - Undertake internal audits.
  - Evaluate legal compliance.

- Complete corrective actions.
- Switched to LED lighting in offices reducing energy consumption.
- Reduction in travel UK and global by adopting flexible working approach and increased conferencing facility.
- Green steering group to increase initiative sharing.
- Bicycle salary sacrifice scheme to encourage biking into work.
- Offset Co2 emissions by converting emission figures into tree planting initiatives. For 2020 and 2021 results Vix dedicated planting of 31 trees for the national forest as part of the Queens Jubilee canopy.
- Launch a green vehicle salary sacrifice scheme for staff.
- Increase environmental awareness by encouraging initiative sharing, training and internal certification awareness and communications.

In the future we hope to implement further measures such as:

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- Further broaden the flexi working approach to reduce travel and estate footprint affecting the scope 2 emissions.
  - Investigate feasibility of electric vehicles to serve inner city projects.
  - Increase ECP infrastructure at operational depots and offices to encourage the switch to greener modes of transport.
  - Install bicycle racks at offices to encourage take up of bicycle riding to work.
  - Offset Co2 emissions by converting emission figures into tree planting initiatives.
  - Report and work with delivery companies we use to reduce CO2 emissions on delivery schedules.
  - Work more closely with group to align strategies in the UK.
  - Set up a corporate social responsibility group to look at the whole picture but also to look at environmental initiatives and ideas from around the company.

# Overview

Vix UK although have reduced both Scope 1 by 35% (vehicle fleet and greenhouse gas GHG releases in aircon) and Scope 3 emissions 10.7% (business travel and waste generation) in FY2023 which was the focus for this year. The office energy has increased as the full flexible working approach has bedded in as opposed to full homeworking.

From the FY2022 operational fleet mileage has decreased reducing Scope 1 CO2 emissions by 35%, the new van fleet in FY2023 will be using newer vehicles that are more ecofriendly. This will be in place until infrastructure and long-distance battery payload increases.

Scope 2 emissions increased with flexible working of the offices increased footfall and energy consumption by 22% however, this is offset by the use of renewable green energy sources for the offices increased by 33%.

Scope 3 emissions is and continues to be focussed on to work with and report figures from delivery companies that we use. Overall scope 3 emissions have reduced by 11% which was out target for FY23. Business travel is our main Co2 aspect and impact and although this is the case Co2 emission for FY23 has reduced on FY22. Waste generation from offices and depots has also reduced by 33%.

Conclusion is that our overall Co2 footprint has increased we have reduced in areas that have the biggest impact on the environment. We will again be looking at reducing the overall emissions in FY 24 but will also offset FY23 by tree planting initiatives. Alongside this we will be looking at suggestions and ideas from around the company to promote ways we as a company can reduce our impact not only in business arenas but personal lives. One example is to look at using Ecosia search engine which uses advertising revenue to put towards planting trees around the globe.

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the authorising director (or equivalent management body).

Signatory: David Maitland

Signed:

*David Maitland*

David Maitland

Date: 27-Jul-2023

Role: CEO