Carbon Emissions Progress Report and Baseline Restatement

Reporting Period: 2023/24 – 2024/25

1. Introduction

LVC is committed to reducing its environmental impact and achieving **Net Zero greenhouse gas emissions by 2040**.

The company established 2023/24 as its original carbon emissions baseline and subsequently implemented a number of measures designed to reduce its operational carbon footprint and improve the quality of its environmental reporting.

As part of preparing the 2024/25 carbon assessment, LVC undertook a detailed review of the methodology and information used to calculate its original baseline.

This review identified a classification issue within the original Scope 3 calculation. The company has therefore restated its 2023/24 baseline to provide a more accurate and transparent basis for measuring future progress.

2. Original 2023/24 Baseline

The original Carbon Reduction Plan reported total greenhouse gas emissions of approximately:

2,170 tCO_2e

The largest component of the original footprint was approximately **1,600 tCO_2e classified as Scope 3 Category 2 – Capital Goods**.

During the subsequent review, it became apparent that this category included significant expenditure relating to **cleaning machines, equipment, spare parts and other products purchased for resale to customers**.

These items are inventory rather than capital assets retained and used by LVC.

The company's financial accounts clearly distinguish between stock held for resale and tangible fixed assets, supporting the need to correct the original carbon classification.

3. Explanation of the Baseline Correction

Under the GHG Protocol Corporate Value Chain (Scope 3) Standard, goods purchased for resale should normally be reported within:

Scope 3 Category 1 – Purchased Goods and Services

whereas:

Scope 3 Category 2 – Capital Goods

relates to long-lived assets acquired and retained for use by the reporting organisation.

Examples of genuine capital goods for LVC could include company equipment, machinery, vehicles and qualifying cleaning machines retained for the company's own operational or hire use.

Cleaning machines, spare parts and equipment purchased for onward sale to customers should not have been treated as company capital goods.

The original baseline therefore overstated the Capital Goods category and did not appropriately reflect the nature of the company's purchasing activity.

4. Restatement of the 2023/24 Baseline

LVC has reconstructed the 2023/24 calculation using the corrected Scope 3 classification and an appropriate spend-based emissions methodology.

Importantly, the emissions associated with products purchased for resale have **not been removed from the company's carbon footprint**.

Instead, they have been reassigned to the appropriate Scope 3 category and recalculated.

The result is:

	Original baseline	**Restated baseline**
Total emissions	**~2,170 tCO_2e**	**~1,929 tCO_2e**
Difference		**~241 tCO_2e**
Baseline adjustment		**~11.1%**

The approximately **241 tCO_2e difference is a methodological correction and not an operational carbon reduction**.

Grant Services Ltd will therefore use approximately:

1,929 tCO_2e

as its **restated 2023/24 baseline** for future carbon-performance measurement.

5. Carbon Performance in 2024/25

Using the same revised methodology consistently for 2024/25 produces an estimated gross/market-based carbon footprint of approximately:

1,925 tCO_2e

compared with the corrected 2023/24 baseline of approximately:

1,929 tCO_2e

This represents a small absolute reduction of approximately:

0.2%

Although the absolute footprint remained relatively stable, the company experienced business growth during the same period.

When carbon emissions are measured relative to turnover, estimated carbon intensity improved by approximately:

2.3%

This indicates that Grant Services Ltd generated more economic activity for each tonne of CO_2e emitted.

6. Operational Carbon Reduction

LVC has implemented a number of measures since establishing its original carbon baseline.

These include the move to premises incorporating solar panels, adoption of LED lighting, introduction of the company's first fully electric vehicle, increased environmental engagement with suppliers and participation in SME Climate Hub.

The company has also moved to a **100% renewable electricity supply**.

These initiatives build upon the environmental measures already identified in the company's Carbon Reduction Plan.

The move to renewable electricity has had a particularly positive effect on the company's market-based Scope 2 electricity emissions.

Estimated purchased-electricity emissions reduced substantially during 2024/25 as the renewable supply was introduced.

7. Fleet Emissions and Carbon Compensation

The company's vehicle fleet remains an important source of direct operational emissions.

Alongside its longer-term transition towards electric vehicles, Grant Services Ltd participates in a carbon-offsetting programme associated with fuel purchased for its fleet.

The company's EcoPoint sustainability certification confirms carbon compensation associated with fuel-card purchases. The 2025 certificate, for example, records **27.375 tonnes of CO_2 offset**.

LVC has chosen to report this conservatively and transparently.

The underlying fleet emissions remain included within the company's **gross carbon footprint**, while verified carbon compensation is disclosed separately.

This avoids presenting carbon offsets as though the original emissions had not occurred.

8. Understanding Our Scope 3 Footprint

The review has highlighted that the majority of LVC’s total reported carbon footprint arises from **Scope 3 supply-chain emissions**.

As a supplier and distributor of commercial cleaning equipment, the company purchases cleaning machines, spare parts and associated products manufactured by third parties.

The estimated upstream carbon associated with manufacturing these products therefore forms a substantial part of the company's reported footprint, even though the products are ultimately supplied to customers.

This distinction is important.

LVC total corporate carbon footprint should not be interpreted as meaning that the majority of these emissions arise directly from its premises, electricity consumption or vehicle fleet.

A substantial proportion represents estimated **upstream emissions within the company's supply chain**.

9. Improving Scope 3 Accuracy

LVC recognises that spend-based Scope 3 calculations are estimates.

Changes in the amount spent on products can cause calculated emissions to increase or decrease even where the actual carbon footprint of an individual product has improved.

The company therefore intends progressively to improve its Scope 3 reporting by working with manufacturers and suppliers to obtain more detailed carbon information.

Where available, this may include:

- product carbon footprints;
- Environmental Product Declarations (EPDs);
- cradle-to-gate manufacturing emissions;
- supplier-specific emissions factors; and
- carbon information relating to individual machines and components.

This will allow Grant Services Ltd gradually to replace broad spend-based estimates with more accurate supplier and product-specific carbon information.

10. Progress Towards Net Zero

LVC remains committed to achieving **Net Zero emissions by 2040**, as stated in its original Carbon Reduction Plan.

Following the baseline review, progress can now be summarised as:

Carbon performance	Result
Original 2023/24 baseline	~2,170 tCO_2e
Restated 2023/24 baseline	**~1,929 tCO_2e**
2024/25 footprint	**~1,925 tCO_2e**
Absolute change against corrected baseline	**~−0.2%**
Carbon-intensity improvement	**~2.3%**
Net Zero target	**2040**

The correction of the baseline represents an improvement in the **accuracy and transparency of the company's carbon accounting**, rather than a claimed carbon reduction.

Future performance will therefore be measured against the corrected 2023/24 baseline.

11. Future Carbon Reduction Priorities

LVC will continue to focus on both its **direct operational emissions and wider supply-chain emissions**.

Priorities include continued transition of the vehicle fleet towards lower and zero-emission alternatives, maintaining renewable electricity, improving energy efficiency, working with suppliers to obtain product-specific carbon data, reducing the embodied carbon associated with products where practicable, and progressively replacing spend-based carbon estimates with physical activity and supplier-specific information.

The company will continue to review its carbon footprint annually and update its Carbon Reduction Plan as the quality of available information improves.

12. Declaration

LVC has prepared this report to provide a transparent account of the review and correction of its 2023/24 carbon baseline and its subsequent carbon performance during 2024/25.

The restatement reflects improved classification and understanding of the company's Scope 3 emissions.

No carbon reduction is being claimed as a result of the baseline correction itself.

The corrected baseline will be used as the basis for measuring future progress towards the company's **2040 Net Zero commitment**.

Signed:

Name: Britt Rees
Position: Director
**For and on behalf of Grant Services Ltd t/a LVC

Date: 05.10.2025