

Phenna Group – NAPIT Holdings Limited

Carbon Reduction Plan

Carbon Reduction Plan - following UK Guidelines and TPT Framework

Company Profile

NAPIT Holdings Limited (“NAPIT”) and its trading subsidiaries are part of the **Phenna Group**, a global provider of testing, inspection, certification, and compliance services for sectors such as the Built Environment, Infrastructure, Niche Industrials, Compliance and Certifications, Food and Life Sciences. Our company is based on the premise that building partnerships with others will enable us to achieve better knowledge and expertise in everything we do and provide the best service to our customers. As of March 2024, Phenna Group has over 55 trading subsidiaries that provide services around the globe with over 5,300 employees and 185,000 clients. We are a highly acquisitive business that has doubled in size from 2023 to 2024.

Phenna Group and NAPIT understand that climate change is a serious challenge to address, and we are actively acting on implementing initiatives to reduce our climate impact at group level. Considering the highly acquisitive nature of our business, we work closely with all of our subsidiaries, group companies and investors to prioritise climate change. As part of our strategy, we align to the UN SDGs, specifically SDG 8 – Decent work and economic growth, SDG 9 – Industry, innovation and infrastructure, SDG 11 – Sustainable cities and communities, SDG 13 – Climate Action and SDG 15 – Life on Land.

In 2023/24, within NAPIT we have prioritised our efforts in quantifying our carbon footprint baseline, supporting initiatives at Phenna Group level. As of today, we have focused on our scopes 1 & 2 and limited scope 3 for our UK operations, and in parallel we have been working on educating and engaging with our stakeholders across our value chain to support our subsidiaries in quantifying their own emissions. Our goal is to have a global accurate baseline and reduction plan in the coming years and successfully support the UK and the global community in achieving net zero by 2050.

Whilst our strategy is still in development and considering our fast-paced growth, we believe to be on the right path in setting the foundation for a realistic and actionable plan to achieve our net zero commitment. Therefore, our strategy remains flexible and adaptable to our business model.

At this stage, and in respect of NAPIT’s specific initiatives within its UK operations we have obtained board approval of our commitment and we are working on an analysis to set our near-term and long-term targets in line with the best industry standards and climate science. We are also in the process of conducting a financial analysis enabling to prioritise and plan for the implementation of our identified initiative list over a short-, medium- and long-term timeline. Those initiatives are communicated below to showcase our thinking to-date. Our strategy for now is focused on our UK operations with the goal to expand it at group level in the future.

NAPIT Commitment

NAPIT is committed to achieving net zero emissions by 2050. This is the first year that NAPIT as part of Phenna Group has started accounting and monitoring our emissions and we will use our baseline data to develop and track our emission reductions from our operations.

Other businesses within the Phenna Group have already set their emission reduction targets and reduction plans (e.g. Stroma Building Control), emphasising our commitment as a group, and NAPIT intends shortly to do the same.

We intend to review and update our carbon reduction plan on an annual basis to reflect any changes in organisational structure and increase transparency over our reporting and progress.



NAPIT Emission profile breakdown

Carbon Accounting Methodology:

For the purpose of our calculation, we have followed the PPN 06/21 Guidance and the GHG Protocol Accounting Guidelines. The figures reported below relate to our UK operations only and include scopes 1 & 2 emissions and operational scope 3 emissions, where possible, in tCO2e. All other categories for which data is not currently available are being addressed to obtain for FY24 onwards.

We use an operation boundary approach to calculate and report our emissions as we have direct control over them, and engage with our **subsidiaries** to calculate and report on their operational emissions.

Reporting Period

Emissions reported are for FY2023

Baseline Year Emission Profile

Emission Scope	FY23 (tCO2e)	FY22 (tCO2e)	YoY Difference/Comments
Scope 1	32.0113154	54.10739	Mileage reported is less than last year
Scope 2	54.53195683	56.33979	Very similar results
Scope 3	8.06386412	4.509444	We are reporting more in Business travel - Trains, planes, ferries, taxis etc - which are not reporting requirements for SECR
Category 4 - upstream transportation			
Category 5 - waste from operations			
Category 6 - Business Travel			
Category 7 - Employee Commuting			
Category 9 - Downstream transportation and distribution			

Carbon reduction initiative long-list

Illustrative classification subject to change based on quantified inputs (see explanation in description of approach section)

Description of approach:

- We have selected a long list of initiatives based on our carbon footprint for our UK operations
- All initiatives were selected based on our level of control and influence, expected associated resources for implementation, and expected reduction impact per initiative.
- The current classification is yet to be quantified using external research and expert network to assess the feasibility and implementation timelines (current classification may change based on findings)
- This exercise will enable us to strategically account for climate and carbon reduction initiative into our corporate plan and achieve our commitment

Expected level of effort for implementation	<p><i>Initiatives in this category are dismissed as they require high resource investment for low reductions, and therefore not considered strategic</i></p>	<ul style="list-style-type: none"> • Fleet electrification • On-site energy generation (potential SPV installation) • Implementing structural building efficiency and saving measures (e.g., retrofits, HVAC systems etc.) • Continuous engagement with our portfolio companies <i>(see next slide for engagement approach)</i> • Investing in R&D to support companies develop more sustainable products and services practices by industry (e.g. Food and Life Science will focus on reducing single use plastics, Infrastructure will focus on materials)
	<ul style="list-style-type: none"> • Implement climate policies and supplier criteria for climate change • Reporting platforms and integrated systems • Energy efficiency audits • Implementing building efficiency measures and repairs (e.g., LED lighting, sensors, fix Air Conditioners to limit refrigerant leaks, etc.) • Using renewable tariffs in all our offices • Internal training programme • Employee commuting programme (e.g. cycle to work scheme) • Move to cloud-based platform using renewable energy • Reduce waste from operations 	<ul style="list-style-type: none"> • Route and fleet optimisation • Building maintenance and HVAC system improvements • Reduce air business travel
	Expected Carbon reduction	

NAPIT Strategy & Project Plan

	FY24	FY24+	
Operational strategic plan	Quantify our emissions from operations (scopes 1, 2, 3)		
	Review our baseline assessment to ensure completeness and accuracy in line with highest standards		
	Conduct a hotspot analysis for all our operational emissions		
	Set our near-term reduction target to enable us to achieve our long-term commitment		
	Identify a long-list of potential initiatives based on our operations and industry best practice		
	Quantify the emission reduction potential and financial and non-financial resources required for implementation		
	Based on findings, prioritise and short-list initiatives and develop an action plan for short-, medium-, long-term timeline		
	Deploy identified initiatives at UK level and providing detail to be rolled out at Phenna Group level where possible		
		Quantify, monitor and track progress, adjust strategy, initiatives and resources accordingly	
Portfolio plan	Collect emissions data from NAPIT and provide to Group		
	Conduct an analysis to identify our most material NAPIT in terms of carbon emissions		
	Develop an engagement plan based on each industry to identify specific initiatives that can be implemented to reduce climate impact		
	Conduct financial analysis and resource deployment to understand how to most efficiently deploy the plan at group level		
			Assign sustainability representatives at group level, create working groups to enable implementation at scale
			Work with all individually where needed, iterate approach

Declaration & 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 Board of Directors.



Mike Andrews, NAPIT Chief Executive

6th March 2024

Appendix



Carbon Reduction Plan Disclosure Elements

BEST PRACTICE ELEMENTS TO COVER



