

Carbon, Waste & Water Reduction Plan

A. Carbon Reduction Plan

| | |
|---------------|-------------------|
| Business Unit | Algeco UK Limited |
| Date | 28 June 2024 |
| Updated | 25 November 2024 |

Table of Contents

| Content | Page Number |
|---|-------------|
| Carbon Reduction Plan | 1 |
| Policies | 1 |
| Strategy and Commitment to Achieving Net Zero | 2 |
| Targets (KPI) | 2 |
| Net Zero Pathway | 2 |
| Metrics | 3-4 |
| Emissions Footprint Reporting Methodology | 3 |
| Actions to Reduce Scope 1, 2 Market-based | 5-6 |
| Future Action Plan for Scope 3 | 6 |
| Waste Reduction Plan | 7 |
| Waste policy | 7 |
| Strategy and Commitments to Reducing Waste to Landfill | 7 |
| Targets (KPI) | 7 |
| Algeco UK Metrics | 7 |
| Operational Excellence Strategy for Waste Reduction (Actions) | 8 |
| Water Reduction Plan | 9 |
| Water Policy | 9 |
| Commitment to Reducing Water Consumption | 9 |
| Target (KPI) | 9 |
| Algeco UK Metrics | 9-10 |
| Declaration and sign off | 10 |

Policies

Algeco UK has a comprehensive set of policies towards environmental sustainability in place. The policies from our parent company, Modulaire Group, are also applicable to us.

- ESGS Corporate Policy
- Environmental Policy
- Electrification of Machinery, Forklifts, and Vehicles Policy
- Waste and Water Policy
- Biodiversity and Climate Change Adaptation Protocols

Additionally, Modulaire Group's scope 1 and 2 emissions (which include Algeco UK's) are limited assured annually by a third party – PwC. Details on Modulaire's Greenhouse Gas Reporting Principles and Methodologies and PwC Independent Limited Assurance Report are published on the company's [website](#). Our [2023 ESG & Sustainability Performance](#), which covers our greenhouse gas emissions reporting is also available on our website.

Strategy and Commitment to Achieving Net Zero

Modulaire Group, Algeco’s parent company, is fully dedicated to achieving Net Zero emissions by 2050. This is an important environmental Key Performance Indicator (KPI) and is in alignment with our targets determined through the Science Based Targets initiative (SBTi) guidance. As part of this commitment, and as required under Modulaire Group’s sustainability-linked financing, the group has set a target to progressively reduce the total gross Scope 1 and 2 market-based emissions in metric tonnes of CO₂e.

Starting from a baseline year of 2020, for Scope 1 and 2 emissions, the group’s goal is to achieve an absolute reduction of 2.5% each year until 2028. For Scope 3 emissions, starting from a baseline year of 2022, the group’s goal is to achieve a reduction of 25% by 2030. These targets are applicable to Algeco UK. This demonstrates our strong commitment to environmental sustainability and our proactive efforts to minimise our carbon footprint.

Target (KPI)

- 5% absolute reduction in Scope 1 and 2 emissions (vs 2020) by 2023
- 7.5% absolute reduction in Scope 1 and 2 emissions (vs 2020) by 2024
- 10% absolute reduction in Scope 1 and 2 emissions (vs 2020) by 2025
- Reduction of embedded carbon footprint (A1-A5) of a typical modular space unit vs 2020 by 2025¹.

Net-Zero pathway



¹ 2020 Product footprint analysis of a typical Modulaire unit based on: • Stage A1-A5 (sourcing, manufacturing and transporting to site) approximately 200 (kgCO₂e/m²) v 700-800 (kgCO₂e/m²) for a traditional build. This equates to approximately 73% less carbon emissions compared to a traditional build.

Modulaire Group Metrics

| Subject Matter Information for the reporting period 01/01/2023 to 31/12/2023 | Emissions (tCO2e) | Reporting Criteria: |
|--|-------------------|--|
| Scope 1 Greenhouse Gas Emissions (tCO2e) | 18,865 | Modulaire Greenhouse Gas emissions data and Group Greenhouse Gas Reporting Principles and Methodologies for data subject to Independent Limited Assurance – reporting period 01/01/2023 to 31/12/2023. |
| Scope 2 Greenhouse Gas Emissions - location based method (tCO2e) | 10,151 | |
| Scope 2 Greenhouse Gas Emissions - market based method (tCO2e) | 4,360 | Please see web link to reporting criteria: https://www.modulairegroup.com/sustainability/limited-assurance |

Emissions Footprint Reporting Methodology

Modulaire Group engaged PricewaterhouseCoopers LLP (PwC) to provide Independent Limited Assurance across its entities (Algeco UK included) in accordance with the ISAE3000 and ISAE3410 standards. This assurance covers the Modulaire Group’s Scope 1 and 2 greenhouse gas emissions data for the baseline year of 2020, as well as the data for 2023. Access the 2023 PwC Independent Limited Assurance Report and the group’s detailed reporting criteria on Modulaire Group’s [website](#).

The calculation of the Group’s Corporate GHG (Greenhouse Gas) footprint follows the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. The Group collected energy data from each business unit of Modulaire Group, including Algeco UK, to establish a baseline GHG footprint for our business. It’s important to note that in 2023, the Group restated its emissions as a result of acquisitions, which aligns with its methodology statement available on Modulaire Group’s website.

The UK Government Greenhouse gas reporting: conversion factors 2023 (Defra 2023 factors²) have been used for fuel consumed in all countries to determine Scope 1 emissions. Under the location-based method, Defra 2023 factors have been used for the UK operations and IEA Emission Factors 2023 Edition³ (IEA 2023 factors including international trade adjustment) have been used for all other countries. Under the Market-based method, the emissions factors are applied using the following hierarchy in accordance with Table 6.3 in the GHG Protocol Scope 2 Guidance below:

- Energy attribute certificates or equivalent instruments (unbundled, bundled with electricity, conveyed in a contract for electricity, or delivered by a utility).
- Contracts for electricity, such as power purchase agreements (PPAs) and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim.
- Supplier/Utility emission rates, such as standard product offer or a different product (e.g., a renewable energy product or tariff), that are disclosed (preferably publicly) according to the best available information.

² Available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

³ <https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023>

- Residual mix (subnational or national) that uses energy production data and factors out voluntary purchases. Taken from AIB's European residual mix 2022 (AIB 2022⁴).
- Other grid-average emission factors (subnational or national) – see 'Location-based method' above.

These technicalities and reporting standards ensure transparency and adherence to recognised protocols in measuring and reporting our greenhouse gas emissions.

Algeco UK Metrics

| Emissions Total (tCO ₂ e) | Actual | | | | Projected* | |
|--|---------------|---------------|----------------|----------------|----------------|---------------|
| | 2020 | 2021 | 2022 | 2023 | 2030 | 2050 |
| Scope 1 | 8,484 | 8,991 | 7,661 | 7,267 | 3,776 | 848 |
| Scope 2 - Market Based | 2,182 | 2,066 | 1,962 | 436 | 971 | 218 |
| Scope 2 – Location Based | 1,529 | 1,189 | 1,114 | 1,202 | N/A | N/A |
| Scope 3 | N/A | N/A | 152,914 | 185,082 | 114,686 | 15,291 |
| <i>Scope 3 Upstream</i> | N/A | N/A | 61,752 | 102,178 | 46,314 | 6,175 |
| <i>Scope 3 Downstream</i> | N/A | N/A | 91,162 | 82,906 | 68,372 | 9,116 |
| Total emissions (Scope 1, 2 market-based) | 10,666 | 11,057 | 9,623 | 7,703 | 4,747 | 1,066 |
| Total Emissions (Scope 1, 2 market-based, and 3) | N/A | N/A | 162,537 | 192,785 | 119,433 | 16,357 |

Note:

**The emissions projections for the years 2030 and 2050 are based on the current SBTi modelling: applying a reduction of 55.5% by 2030 for Scope 1 & 2 market-based emissions in comparison to our 2020 baseline year, a reduction of 25% for Scope 3 by 2030 in comparison to our 2022 baseline year, with the application of a 90% reduction in all three scopes by 2050 reflected under the SBTi Net Zero Definition⁵.*

Baseline emissions are a record of the greenhouse gases produced in the past before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. 2020 is our baseline year for scope 1 and 2 market-based emissions. For scope 3 emissions, the baseline year is 2022.

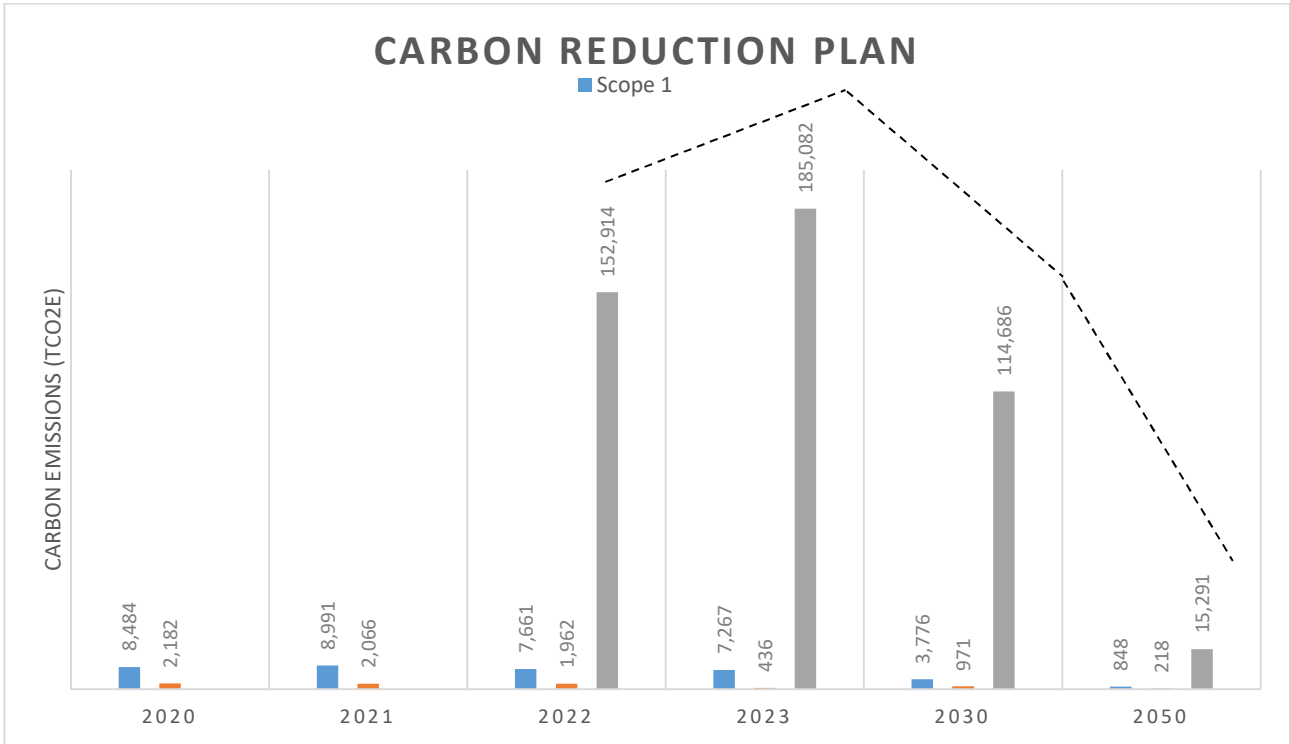
Data between 2020 and 2023 for scopes 1 and 2 reflects our actual performance, limited assured by PwC (as described above).

By adopting a comprehensive sustainability-linked financing framework and committing to external reporting, we demonstrate our commitment to Modulaire group's sustainability agenda and our determination to reach net-zero emissions by 2050.

⁴ Available at https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_inclAnnex.pdf

⁵ <https://sciencebasedtargets.org/net-zero>

Algeco UK's Progress against these targets can be seen in the graph below:



Actions to reduce Scope 1, 2 market-based:

Since 2020, we have been actively implementing various environmental management measures and projects. These initiatives enabled us to exceed our reduction targets in 2023: Algeco UK reduced 27.77% of scope 1 and 2 market-based emissions.

Our action plan for Scope 1 and 2 emissions in 2024 includes the following key points:

- **Resource Efficiency:** We are addressing resource efficiency opportunities throughout our operations, such as optimising occupancy control lighting, HVAC control settings, and more.
- **Electrification:** We are transitioning our equipment and vehicles to electric options, contributing to the reduction of emissions.
- **Renewable Energy:** We are sourcing renewable electricity. Our purchased renewable energy is fully supported by unbundled Guarantee of Origin (GO) certificates.
- **Behavioural Change:** We are implementing an employee awareness program to promote resource efficiency. This includes gathering employee feedback and establishing standardised processes to enhance resource efficiency.



As of May 2024, 36 (out of 113) diesel forklifts were switched to electric, representing 32% of our fleet. Additionally, 50 (out of 102) of our cars are now electric. We are also expecting 20 electric cars to be delivered. When this is completed, 68.62% of company cars will run on pure electric (no hybrid) this year.

Andrew McLaughlan, who leads the forklift electrification, says: *“This is a big and long-term investment from the business. Although the initial cost for the electric forklifts is significant, they offer us many benefits regarding running costs, our people’s health, safety, comfort, and carbon footprint savings. I am proud to work with our suppliers and service centres to deliver this project”.*

Algeco UK's future action plan for Scope 3

- Responsible sourcing: working with suppliers to purchase products with low carbon emissions.
- Reduce embodied and operational carbon of our products for our customers' use.

Our approach to ESGs:

Our ESG and Sustainability strategy aligns with Modulaire Group's overarching strategy, integrating three key frameworks: the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), and the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, Modulaire Group commits to the Science-Based Targets initiative (SBTi) to develop and disclose pathways towards Net Zero emissions by 2050. These frameworks complement our business model, which is built upon the principles of the circular economy.

We specifically align with six SDGs that are in line with our business purpose, vision, and operations. These SDGs include Responsible Consumption and Production (SDG 12), Industry Innovation and Infrastructure (SDG 9), Climate Action (SDG 13), Quality Education (SDG 4), Gender Equality (SDG 5), and Sustainable Cities and Communities (SDG 11).

To monitor our progress and ensure adherence to our goals, we track and report on Key Performance Indicators (KPIs) related to greenhouse gas emissions. These KPIs are included in the senior team's reports, enabling us to measure our performance and stay within defined limits.

B. Waste Reduction Plan

| | |
|---------------|-------------------|
| Business Unit | Algeco UK Limited |
| Date | 28 June 2024 |
| Updated | 25 November 2024 |

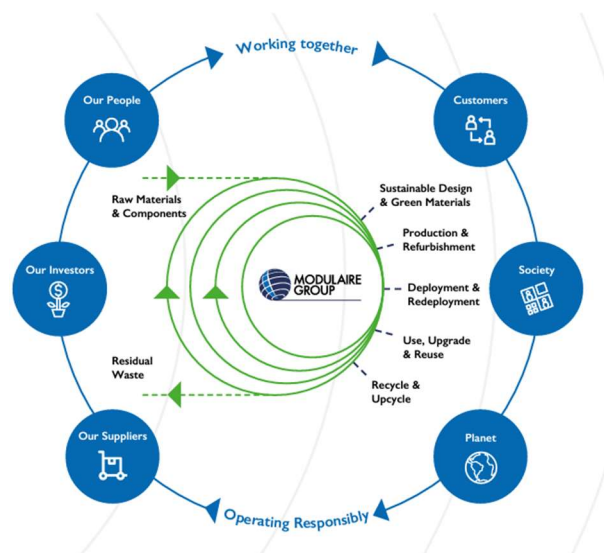
Policy – Waste Policy

Strategy Commitment to Reducing Waste to Landfill

Our parent company, Modulaire Group, is fully dedicated to achieving a 50% reduction in Waste to Landfill (vs. 2020) per typical unit by 2025 as an important environmental Key Performance Indicator (KPI). As part of this commitment, the Group has set a target to progressively minimise the impact and use of natural resources by reusing materials, recycling, and reducing waste to landfill. This demonstrates our commitment to environmental sustainability and our proactive efforts to minimise our carbon footprint.

Strategy: Loops within Loops

Loops within Loops is our sustainable circular business model. It simply means we use innovative, sustainable design solutions to produce modular units that can stay in service longer, going round and round again. This reduces the use of virgin materials, minimising resources and waste. By designing in sustainability and designing out waste, we produce a circular product that can be reused, refurbished, remade and assembled.



Target (KPI):

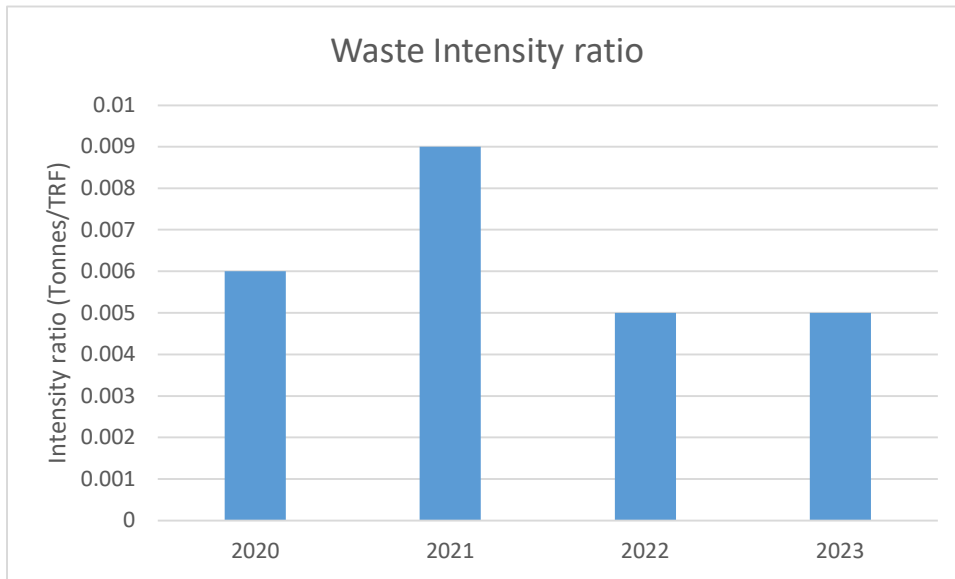
Reduce non-hazardous waste to landfill by 50% per typical product unit (vs 2020 baseline) by 2025

Algeco UK Metrics

| | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|
| Non-hazardous waste to landfill (tonnes) | 527 | 795 | 418 | 455 |
| Product units | 82,760 | 85,682 | 88,779 | 86,612 |
| Intensity ratio | 0.006 | 0.009 | 0.005 | 0.005 |

The waste intensity ratio is a metric that evaluates the environmental impact of a business by quantifying waste to landfill in relation to the number of product units. It is calculated by dividing the total waste to landfill (measured in tonnes) by the number of units in the total rentable fleet.

Our waste progress against our targets can be seen in the following graph:



Operational excellence strategy for waste reduction (actions)

To improve material management and combat rising waste disposal costs, our teams have introduced the 5R methodology: Refuse; Reduce; Reuse; Repair and; Recycle via Operational Excellence. We have been working across our production sites on Kaizen process improvement events. We have seen positive materials management improvements, resulting in fewer materials consumed and more savings. The team has achieved a significant reduction in waste to landfill in tonnes compared to 2020.

C. Water Reduction Plan

| | |
|---------------|-------------------|
| Business Unit | Algeco UK Limited |
| Date | 28 June 2024 |
| Updated | 25 November 2024 |

Policy: Water Policy

Commitment to reducing Water consumption:

Sustainable use of water is fundamentally important to all of us and our stakeholders. Our policy on the sustainable use of water sets out our commitment to improving our water management, as well as influencing our value chain (contractors and suppliers) to encourage best practices in water efficiency.

Key aspects of the policy are:

- Set plans to achieve water consumption targets;
- Implement initiatives to raise awareness of sustainable water management and encourage our employees, contractors, and suppliers to reduce water use.
- Reduce water leakage across our sites, monitor for leakage, and repair leaks quickly.

Modulaire Group is dedicated to reducing water consumption by the Group (UK business included) by 10% per typical unit as an important environmental Key Performance Indicator (KPI). This demonstrates our commitment and proactive efforts to minimise our impact on the environment.

Target (KPI):

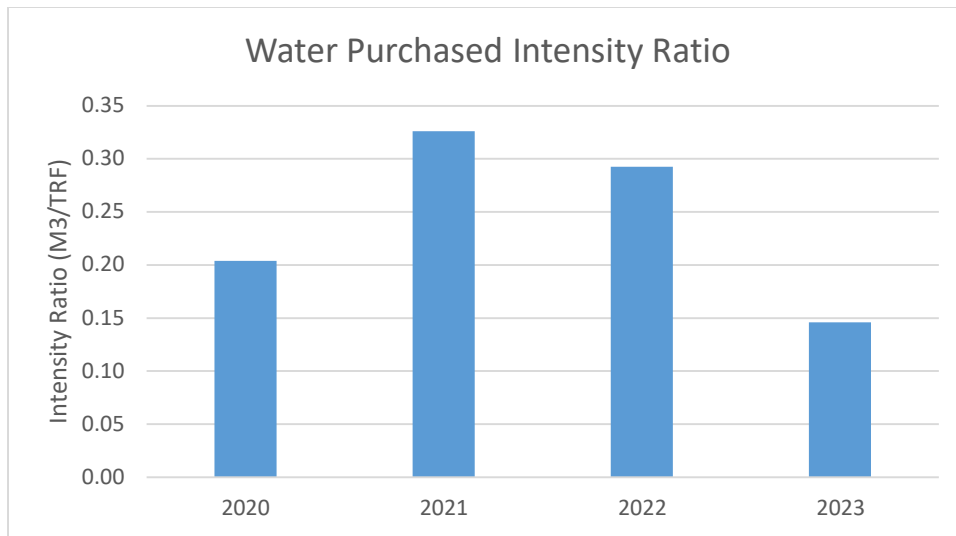
Reduce our water consumption by the Group, including Algeco UK, by 10% per typical product unit.

Algeco UK Metrics

| | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|--------|--------|--------|--------|
| Water purchased (m ³) | 16,876 | 27,946 | 25,983 | 12,645 |
| Product units | 82,760 | 85,682 | 88,779 | 86,612 |
| Intensity ratio | 0.20 | 0.33 | 0.29 | 0.15 |

The water intensity ratio is a key metric used to assess water efficiency in a business context, specifically in the context of modular units. It is calculated by dividing the total water purchased (measured in cubic meters, m³) by the number of modular units within the total rentable fleet. This ratio provides insight into how efficiently water resources are utilised in relation to the scale of the modular unit infrastructure, offering a quantitative measure of water consumption per unit.

Algeco UK’s progress against these targets can be seen in the graph below:



Declaration and Sign-off

This reduction plan contains the following:

This Carbon, Waste and Water Reduction Plan has been completed in accordance with associated guidance and reporting standards for Carbon, Waste and Water 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 standard⁶ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁷.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements and Modulaire Group Methodology statement (Limited assurance by PwC) as previously described under ‘Emissions Footprint Reporting Methodology’ on Page 3. The required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁸.

This Carbon, Waste, and Water Reduction Plan has been reviewed and approved by the board of directors (or equivalent management body).

Signed on behalf of Algeco UK Limited:

Ceredig Jones, UK CFO

Date: 25 November 2024

⁶ <https://ghgprotocol.org/corporate-standard>

⁷ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁸ <https://ghgprotocol.org/standards/scope-3-standard>