

CARBON REDUCTION PLAN STATEMENT OF COMMITMENT

Introduction

High Court Enforcement Group Limited (HCE Group) recognises that we are facing a global climate crisis and that the UK has committed to reduce carbon emissions to net zero by 2050. We also recognise the part we must play in helping to achieve this and are committed to achieving net zero emissions by 2045. This plan sets out how we expect to achieve this.

As an organisation we have long considered the impact of delivering our services on the environment and with this aim, we maintain an effective Environmental Management System to ISO 14001:2015 to assist in managing and minimising those impacts. We have focussed on four key areas:

- Reducing the volume of waste generated by the business
- Reducing CO² emissions within the business, including our premises and vehicle fleet
- Reducing the use of fossil fuel generated energy
- Improving education and training on environmental matters for all employees

To this end we have set out our environmental objectives and targets for all relevant aspects of our business, which we monitor and regularly review.

As a company headquartered in Wales, we are signatories to the Green Growth Pledge and receive support and advice in taking pro-active steps to improve sustainability and to transition to a low carbon future via Welsh Government's 'Business Wales'.

We are also constantly researching and promoting the role that our sector can play in both climate change mitigation and adaption, for example, by changing the way we conduct company and client meetings via remote technology and expanding the capacity and capability for home working.

Achieving Net Zero

According to the Intergovernmental Panel on Climate Change Special Report, limiting global warming to 1.5 degrees and avoiding the worst impacts of climate change requires global emissions to rapidly decline over the next ten years and to reach net zero no later than 2050.

HCE Group and its subsidiary companies, are committed to reduce emissions to a residual level that is consistent with reaching net zero emissions by 2040.

We plan that we will by then have neutralised any remaining emissions through the use of recognised carbon offsetting schemes.

Baseline Emissions

HCE Group's baseline greenhouse gas (GHG) emissions inventory is recorded and is monitored in accordance with the GHG Protocol, using the WRI GHG emissions calculation database tool. This enables us to evaluate and analyse our emissions and in particular which of those arise from our most carbon intensive activities in order to identify opportunities to reduce them. The inventory which we maintain is designed to account for 100% of our emissions both direct and indirect, over which we have operational control.

2022 Baseline Year Emissions			tCO ₂ e	% total
Scope 1	Gas	Emissions from energy/heating usage at company offices	7.18t	0.66
	Electricity	Emissions from energy/heating usage at company offices	0	0
	Other	Fugitive emissions from air conditioning and other processes at company offices	3.27t	0.3
	Vehicle Fuel	Emissions from the use of HCE Group owned vehicles	1027.84t	93.81
Scope 2	Electricity/Gas/Fuel	Emissions from production of fuels in scope 1	7.50t	0.68
Scope 3	Purchased Goods and Services	Emissions associated with goods and services purchased by HCE Group	0	0
	Capital Goods	Emission associated with capital goods purchased by HCE Group	0	0
	Fuel and energy-related activities not included in s2	Upstream emissions associated with fuels and electricity consumed by HCE Group	0	0
	Transportation and distribution (upstream)	Emissions associated with courier and postal services used by HCE Group	0	0
	Transportation and distribution (downstream)	Emissions from visitors to HCE Group offices and sites	0	0
	Waste disposal	Emissions associated with waste generated by HCE Group during the baseline year	18.05t	1.65
	Business travel	Emissions associated with business travel by HCE Group employees in their own vehicles	3.09t	0.28
	Employee commuting	Emissions associated with employees travelling to and from HCE Group offices	28.72t	2.62
	Upstream leased assets	Emissions associated with the use of assets leased to HCE Group	0	0
	Downstream leased assets	N/A	-	-
	Franchises	N/A	-	-
	Investments	N/A	-	-
	Processing of sold products	N/A	-	-
	Use of sold products	N/A	-	-
End of life treatment of sold products	N/A	-	-	

The GHG Protocol establishes comprehensive global standardised frameworks for measuring and managing GHG emissions from private and public sector operations, value chains and mitigation actions.

Emissions Reporting

We have previously reported on Scope 1 and 2 and some Scope 3 emissions (travel and waste) in our annual statement but mainly in annual percentage reduction terms. For example, business travel CO² emissions were reported as reduced from 151 g/km in 2020 to 121 g/km in 2021, electricity use reduced by 17% and waste by 5%. Using the WRI GHG emissions calculation database tool, we now report all relevant emissions in scopes 1,2 and 3 from the above inventory in the WRI format.

We have successfully sought alternative suppliers of renewable energies (gas and electricity) in order to reduce our Scope 1 and 2 emissions.

HCE Group undertakes no investments or grant giving, sells no franchises and does not produce, sell or lease products, thus such Scope 3 category emissions do not feature in our monitoring and reporting.

Purchased Goods and Services

These will be added to our scope 3 emissions reporting in 2024: we will use our financial data on spend (in £) to calculate baseline values. In future we will work with suppliers to obtain more accurate data to allow us to report with more precision.

Upstream Transportation and distribution

Upstream logistic emissions have not previously been measured but will be henceforward.

Waste Generated in Operations

We formerly measured waste by tonnes but reported only the percentage increase/decrease. We now use the tonnage data in the WRI GHG emissions calculation database tool to calculate the associated carbon emissions by applying the appropriate DEFRA conversion factors.

Business Travel

We formerly included emissions associated with business travel in our reporting but only to the extent of operational matters. We now include all travel associated with delivering all of the company's services, including internal administration duties.

Employee Commuting

We had not measured employee commuting prior to 2022; employee commuting surveys were therefore instituted and, whilst we now have one set of annual data (2023) for use as an assessment baseline, from the delivery of the 2024 survey onwards we will have sufficient scope of data to analyse commuting behaviours as stated in the GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions: Category 7.

Downstream Transportation and Distribution

We have not previously measured this impact but henceforward we will engage with visitors to collect relevant data. It should be noted that downstream transportation and distribution is very minimal for our businesses.

Emission Reduction Targets

These have been assessed along with baseline emission measurements: our reduction pathway is based upon:

- Our baseline inventory
- Our current understanding of current Government policy and objectives
- The currently available technical, organisational, social and other solutions

HCE Group is committed to net zero and will produce, maintain and evolve a carbon reduction programme which will apply realistic targets reviewed at least annually and in line with any Government policy changes.

We will apply short term targets with achievable linear-annual-rate (LAR) reductions of Scope 1 and 2 emissions and a set percentage reduction in relevant Scope 3 emissions by 2030.

Our long-term target will be to achieve at least a 90% reduction in overall emissions across all scopes before reaching net zero by 2040.

Carbon Reduction Trajectory

This will be completed and published by the end of 2024, based upon the 2022 data as a baseline.

Carbon Reduction Projects

While completion of the above noted matters will identify the activity and emission data and enable us to focus, by size, influence and risk upon the most relevant and important issues, we have already taken steps to reduce our carbon footprint.

For some time now we have maintained various environmental and sustainability policies such as:

- Environmental Protection
- Sustainability
- Sub-contracting
- Corporate Social Responsibility
- Responsible Purchasing

Reduction of Scope 1 and 2 Emissions

- We have recently replaced the aging vehicles in our fleet which has reduced emissions by 17.3% in 2023.
- We have introduced new and improved vehicle tracking systems to improve operational efficiency and to reduce idle and journey times.
- We have investigated in considerable detail the use of wholly electric vehicles (EVs): these however have not been found to be a viable solution, principally due to the achieved mileage range available, which even on manufacturer's published data which from research has been found to be substantially in excess of that achievable under "production" conditions and also particularly in markedly hot or cold weather, is insufficient to permit delivery of the Group's services by a factor of approximately 20%: in-field charging is not viable in terms of both the time required and the cost incurred. The average daily distance travelled by Excel enforcement agents (EAs) in 2022 was 100 miles, and that for HCE Group EAs, 118 miles.

EVs are subject to substantially increased cost and poor residual value; research in 2022 indicated an average reduction on purchase value of approximately 47% over 3 years, which has significantly increased to 60% since mid-2023. This is largely because the battery represents almost 50% of the cost of the vehicle. These circumstances further mitigate against their use as a replacement for our existing fleet.

Research has also indicated that the production and use of EVs results in increased carbon emissions during the production process; current published research (2023) indicates an approximate 171%

increase. In addition, increased tyre wear (caused by the enhanced weight, torque and acceleration of EVs) causes increased harmful particulate emission and the rare elements required in battery manufacture are demonstrably linked to serious exploitation and human rights abuse at the source of these materials, principally in central Africa.

We continue to regularly research and review the performance and emissions data of potentially suitable EV or supplementally powered (“hybrid”) derivations in order to ascertain when technical and social developments may render such vehicles suitable for use in replacing the current fleet of internal combustion (IC) vehicles used by our EAs and our executive staff. Similarly, reviews are conducted of IC vehicles in order to establish the optimal types for use in delivering our services.

Whilst some hybrid petrol electric vehicles have been purchased as replacements for fleet vehicles, ongoing analysis of vehicle fuel consumption and driver reporting indicates that the fuel consumption considerably exceeds that of the non-hybrid vehicles that were replaced. Analysis is ongoing.

- We have adopted a policy to cease, whenever practicable, face-to-face corporate and inter-site internal meetings, which are now accomplished almost exclusively via the secure Microsoft Teams application, in order to reduce the need to travel between offices and client sites.
- Following the pandemic restrictions, HM Courts & Tribunal Service have continued the use of on-line Court hearings wherever possible, which has greatly reduced the need to travel to Courts.
- We have encouraged our clients to undertake remote performance review meetings reducing by at least 80% the occasions when we are required to visit client sites for meetings.
- We have increased the capacity for home working by reducing the size of our office-based workforce which has reduced the use of electricity, gas, water etc. at all our office locations and enabled the closure of the office premises in London and North Surrey.
- We have implemented energy efficiency measures in all offices in line with various Climate Change Strategies and Climate Action Plans.
- All IT systems hardware and components and other office equipment purchased are selected to use the highest available practicable energy efficiency ratings. Such equipment is subject to continuous lifecycle and suitability reviews and replacement planning.

Scope 3 Emissions

Improved waste management at HCE Group offices

- We have encouraged and worked with all our clients to enable the electronic interchange of data rather than in paper-based format. Our offices are now virtually paperless. This extends to the electronic service and receipt of court documents wherever permissible and possible, which service has been adopted, post-pandemic, across the entire HM Courts & Tribunals service across England and Wales. We continue to work closely with the High Court Enforcement Officers Association (HCEOA) to promulgate the adoption of extended and enhanced digital writ transfer in order to further refine the production and use of digital “virtual” writs and documents for service.

Our EAs and writ administration teams have adopted the use of digital documents and reporting wherever permissible by regulation.

- Where paper is produced and the content is non-confidential, it is re-used for note taking on the unprinted side, rather than purchasing note pads for this purpose.
- We have centralised the location and management of our photocopying stations in order to reduce the use of consumables and electricity.

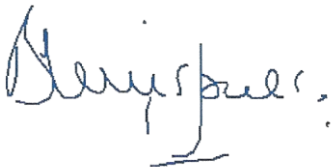
Reduce emissions by improving data and setting targets

HCE Group have:

- Developed an internal framework to support data management. This is assisted by the implementation and deployment during the last 4 years of de-centralised, cloud-hosted secure data and document servers using the Microsoft SharePoint system. This reduces the need for on-site file server systems which use substantial electrical power and generate significant heat output, with data storage and transmission systems utilising the more sophisticated and centrally shared systems provided by the Microsoft Azure secure cloud hosting service.
- Invested in a data reporting system, which is based upon both our existing bespoke administration database management system (DBMS) and our SharePoint systems.
- Collected and now track our scope 1,2 and 3 emission data, input quarterly upon receipt of data for review.
- Planned the development of a dashboard reporting system to communicate progress to our employees.

Follow Up and Next Steps

We will refine this plan, publish it on our web site, implement recommendations arising from it and monitor and review progress on a regular basis in order to ensure that we remain focussed and on-track. This Carbon Reduction Plan has been approved by the board of directors of High Court Enforcement Group Limited.



Bryan Lewis-Jones, Managing Director on behalf of the Board of Directors

February 2024