ISO 14068-1:2023 CARBON NEUTRALITY REPORT & MANAGEMENT PLAN FOR CARBON NEUTRAL VENDING LTD. FOURTH PERIOD FROM BASELINE

Client: Carbon Neutral Vending Ltd.

Period: Fourth Period from Baseline

1st April 2024 - 31st March 2025

Prepared for: BSI

Date: 18th July 2025

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Title **Page**

About Us

Carbon Neutral Vending Ltd. was founded in 2012 by current Director, James Bond, and was originally named Vend 43 Ltd.

Having achieved and held PAS 2060 status from November 2022, and to demonstrate their full commitment to their values of ethical, sustainable business practices, Directors James and Kat Bond formally changed the name from Vend 43 to Carbon Neutral Vending in July 2023.

Carbon Neutral Vending has a mission to revolutionise the vending industry by offering carbon neutral vending solutions that align with their values. Over the years, they have continuously evolved and refined their approach to meet the growing demand for eco-friendly and socially responsible vending options.

Between their baseline carbon footprint measurement for the period 1st April 2021 to 31st March 2022 and their third measurement period of 1st April 2023 to 31st March 2024, Carbon Neutral Vending reduced its carbon emissions by 45%, from 312 tCO2e to 173 tCO2e.

The fourth, current, period of measurement from 1st April 2024 to 31st March 2025 has seen a further reduction to 156 tCO2e (10%) from the previous period, a total reduction of emissions of 50% from the first period.

Carbon Neutral Vending is committed to developing a progressive strategy to reduce carbon emissions arising from its activities. Since 2021, when they began to change their vehicles fleet to electric, Carbon Neutral Vending have constantly looked at ways of reducing their carbon emissions, acknowledging that they have a duty to protect the wider environment and reduce their environmental impact and pollution, both direct and indirect, whenever practically possible.

Carbon Neutrality Report

Carbon neutrality statement

The Carbon Neutrality Report and Carbon Management Plan below contains all the required information on the carbon neutrality of the given subject. All information provided within this report has been verified by BSI in accordance with ISO 14068-1:2023, ISO 14064-1and its UKAS accreditation requirements.

- This report will be made publicly available on Carbon Neutral Vending's website
- This is the fourth declaration of commitment from Carbon Neutral Vending Ltd
- The Verification Opinion Statement (VOS) from BSI should be read with this report

Summary

This document forms the Carbon Neutrality Report and Carbon Management Plan to demonstrate that Carbon Neutral Vending has achieved carbon neutrality for a fourth period.

Carbon Neutral Vending has quantified their carbon footprint in accordance with ISO 14068-1:2023 – Climate change management – Transition to net zero, and has purchased 157 verified carbon credits to offset its carbon footprint for the period of 1st April 2024 to 31st March 2025.

Carbon Neutral Vending has written a Carbon Reduction Strategy to reduce its carbon intensity footprint to demonstrate commitment to being carbon neutral in accordance with ISO 14068-1:2023, and following the standard's principles:

- Transparency
- Conservative estimates
- Hierarchical approach
- Supporting transition
- Ambition
- Urgency
- Science-based approach
- Avoid adverse impacts ('do no harm')
- Accountability
- Value chain and life-cycle approach

General Information

Entity making ISO 14068 declaration Individuals responsible for the evaluation and provision of the data	Carbon Neutral Vending James Bond, Director of Carbon Neutral Vending Ltd. Kat Bond, Director of Carbon Neutral Vending Ltd. Richard Smith, Carbon Specialist, Auditel (UK) Ltd.
Subject of ISO 14068	Carbon Neutral Vending Ltd. Unit 7, Monarch Courtyard 12 Salthouse Rd Brackmills Industrial Estate Northampton NN4 7BD
Function of the subject	Carbon Neutral Vending Ltd. business activity involves the distribution and maintenance of vending machines and sales of associated products in the UK.
Rationale for selection of the subject	The scope and subject were selected as it represents the operational and financial control boundary of Carbon Neutral Vending as defined by ISO 14068
Conformity assessment type	Accredited Independent 3rd party
Baseline data for PAS2060 programme	1st April 2021 to 31st March 2022
Commitment period	1st April 2024 to 31st March 2025
Approach	Operational and Financial Control
Calculation Method	ISO 14064-1, Greenhouse Gas Protocol, Factors produced by the UK Government for 2024

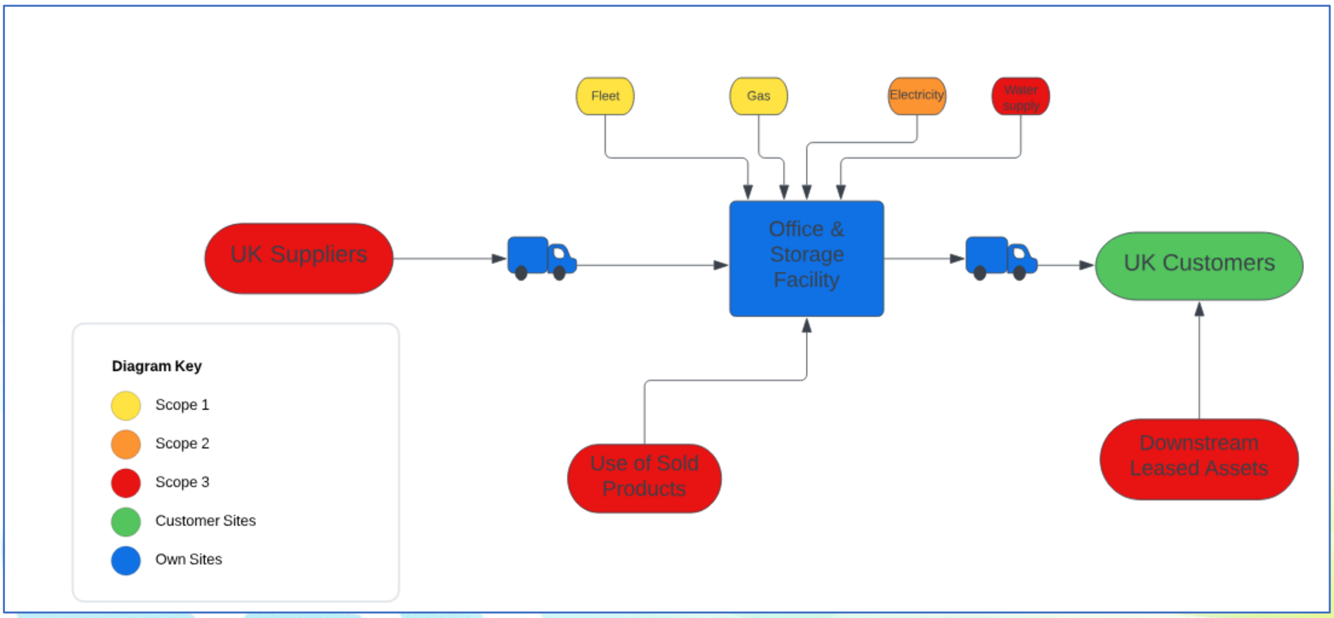
Reductions prior to current ISO 14068-1 verification

This being the fourth period of verification, Carbon Neutral Vending made a number of reductions prior to the current period, including:

- We have replaced eleven of our internal combustion engine (ICE) fleet vehicles with fully electric vehicles.
- We have funded the installation of EV charging points at a number of our employees' homes. This enables all employees to travel to and from work in company electric vehicles and has thus reduced employee commuting emissions.
- We have reduced the number of deliveries from our suppliers, particularly those located furthest from us.
- We have accurately measured the energy consumption of our vending machines, in order to increase the accuracy of our data and our emissions calculations.
- We have changed our electricity contract to renewable energy. Whilst this will not impact on our carbon footprint, it further demonstrates our commitment to reducing as far as possible Carbon Neutral Vending's impact on the environment.
- In period 3, we started to include Energy and Fuel Related emissions and Scope 3 Waste from Operations emissions in order to fulfil the carbon accounting principle of completeness.
- In period 4, we started to include End of Life emissions of products sold.

Organisational boundaries of the subject

Carbon Neutral Vending have set the boundaries for its declaration to include the emissions from its Downstream Leased Assets, as shown in the value chain map below.



Process for identifying uncertainties and variability associated with defining the boundary

As part of our Carbon Neutrality Management Plan (CNMP), Carbon Neutral Vending has established a structured approach to identify and manage uncertainties and variability associated with defining our organizational and reporting boundaries.

Defining an accurate boundary is critical to ensuring the integrity and transparency of our carbon neutrality claim, particularly given the diverse nature of our value chain, which includes machine sourcing, logistics, maintenance and leasing, plus provision of vending machine contents.

1. Organizational Boundary Approach

We have adopted the operational and financial control approach, as they best reflect our influence over emissions from activities such as warehousing, transportation, maintenance services, and machine leasing. This choice ensures emissions from assets and services under our direct management are fully accounted for. Financial control has been used to account for the inclusion of electricity emissions of the vending machine that we lease to our clients, and over which we retain ownership.

2. Identification of Uncertainties

We have identified several areas where uncertainty or variability may impact the definition of our boundary:

- Ownership vs. operational responsibility of vending machines across multiple clients;
- Unclear end-of-life responsibilities for machines sold to third parties;
- Third-party suppliers, where emissions data may not be fully available;

Where uncertainty exists, we:

- Review contractual terms to determine emissions attribution;
- Use proxy or modelled data where direct measurement is unavailable;
- Apply conservative estimates to avoid underreporting;
- Clearly document exclusions and their justification.

3. Boundary Variability Management

Given the dynamic nature of our business (e.g., onboarding new clients, expanding machine types), we conduct annual reviews of our boundary definition. This includes:

- Monitoring changes in asset ownership or control;
- Evaluating additions to service offerings
- Updating emission factors and activity data sources as needed.

4. Stakeholder and Expert Input

We work closely with our internal team, external consultants and independent verifiers to validate boundary assumptions and assess the implications of uncertainty. This helps ensure compliance with ISO 14068's principles of completeness, consistency, and transparency.

5. Continuous Improvement and Documentation

All boundary-related decisions, assumptions, and uncertainties are fully documented in our Carbon Neutrality Management Plan and Carbon Neutrality Report. This enables ongoing refinement of our GHG inventory and supports credible, verifiable claims of carbon neutrality.

By following this structured approach, Carbon Neutral Vending ensures that uncertainties and variability are proactively managed and that our carbon neutrality boundary remains accurate, defensible, and aligned with ISO 14068 requirements.

Carbon footprint Period 4 – 1st April 2024 to 31st March 2025

ISO 14064-1 Direct Emission Categories	Sub-category reference no.	ISO 14064-1 Direct Emission Sub-Categories	GHG Protocol Categories	kg CO2e	tCO2e	kg CO2e	tCO2e	tCO2e of CO2 per unit	tCO2e of CH4 per unit	tCO2e of N2O per unit
Category 1 Direct GHG emissions and removals	1.1	Direct GHG emissions from Stationary Combustion	Scope 1.1 Direct GHG emissions from stationary combustion	262	0.26	958	0.96	0.26	0.0004	0.0001
	1.2	Direct GHG emissions from mobile combustion	Scope 1.2 Direct GHG emissions from mobile combustion	696	0.70			0.69	0.000023	0.0061
Category 2 Indirect GHG emissions from imported energy	2.1	Indirect GHG emissions from imported electricity	Scope 2 - Generation of consumed energy - electricity	22550	22.55	22550	22.55	22.32	0.10	0.13
Category 3 Indirect GHG emissions from transportation	3.1	Indirect GHG emissions from upstream transport and distribution for goods	Category 4 - Upstream transportation and distribution	19393	19.39	19403	19.40	19.19	0.00	0.20
	3.2	Indirect GHG emissions from business travel	Category 6 - Business travel	10	0.010			0.01	0	0
Category 4 Indirect GHG emissions from products used by an organisation	4.1	Indirect GHG emissions from purchased goods	Category 1 - Purchased goods and services	9	0.01	17900	17.90	0.01	0	0
	4.2	Indirect GHG emissions from capital goods	Category 2 - Capital Goods Category 8 - Upstream Leased Assets	798	0.798			0.7896	0.0001	0.0081
	4.3	Indirect GHG emissions from disposal of solid and liquid waste	Category 5 - Waste generated in operations	1657	1.66			1.66	0	0
	4.4	Fuel and Energy Related Activities	Category 3 - Fuel and Energy Related Activies	15436	15.44			15.44	0	0
Category 5 Indirect GHG emissions associated with the use of products from the organization	5.1	Emissions from downstream leased assets	Category 13 - Downstream leased assets	95488	95.49	95488	95.49	94.51	0.42	0.56
Category 6 Indirect GHG emissions from other sources	6.1	End of life emissions from sold products	Category 12 - End of life treatment of sold products	18	0.02	18	0.02	0.02	0.00	0.00
TOTAL				**156317**	**156.3**	**156317**	**156.3**	**154.9**	**0.5**	**0.9**

Methodology, Inclusions and Exclusions

The methodology used follows ISO 14064-1 and 14068-1. Emissions are categorized according to the 1 direct and 5 indirect categories described in the standard.

Where appropriate, the [UK Government's GHG Conversion Factors for Company Reporting for 2024] have been used to calculate emissions.

Re-baselining and re-calculation of Periods 1, 2 and 3

Carbon Neutral Vending includes the emissions from the electricity consumed by its vending machines it leases to its clients in it boundary, reporting these under Category 5 - Indirect GHG emissions associated with the use of products from the organization (Downstream leased assets).

It was realised that for all reporting years from 1-3, the emissions from the vending machines at both client sites and those stored at Carbon Neutral Vending's premises were included in the calculations.

However, this is recognised to be incorrect, as the emissions from the electricity consumed by the vending machines at Carbon Neutral Vending's premises are already accounted for under Category 2 emissions - Indirect GHG emissions from imported energy).

Therefore, the decision has been taken to adjust the calculations for all previous periods in order to remove the emissions from the vending machines stored at Carbon Neutral Vending's premises and to re-calculate the correct (lower) emissions. This has resulted in an amended baseline emission total of 312 tCO2e for 2021-2022, instead of the previously reported total of 352 tCO2e. As Carbon Neutral Vending has purchased more carbon offsets than required, this amendment does not affect its carbon neutral status for all previous periods.

The total number of machines in periods 1 and 2 (352) is the same as for period 3. However, it is not recorded for periods 1 and 2 how many of these 352 machines were based at client sites and how many were at Carbon Neutral Vending's premises. In period 3 it is known how many machines were at client sites (292) and how many were at Carbon Neutral Vending's premises (60).

Therefore it has been assumed that same number of machines were at each client site as in period 3 and the machines which were not at client sites have been removed from the calculations in order to re-baseline and calculate the emissions accurately. The recalculated emissions for each year from baseline are as follows:

Re-baselined emissions for Periods 1 to 3

Period	Years	Scope 1 tCO2e	Scope 2 tCO2e	Scope 3 tCO2e	TOTAL tCO2e	Reduction from previous year - tCO2e	Reduction from previous year - %	Reduction from baseline year - tCO2e	Reduction from baseline year - %
Baseline	2021-2022	92.16	3.3	216.72	**312.18**	N/A	N/A	N/A	N/A
2	2022-2023	65.63	4.07	145.59	**215.29**	-96.89	-31%	-96.89	-31%
3	2023-2024	33.74	10.04	129.23	**173.01**	-42.28	-20%	-139.17	-45%
4	2024-2025	0.96	22.55	132.79	**156.3**	-16.71	-10%	-155.88	-50%

Category 1 - Direct GHG emissions

Direct GHG emissions from stationary combustion
Data is taken from regular invoices and statements from Carbon Neutral Vending's supplier, British Gas. Volumes of gas used in m^3 have been converted into tCO2e using UK Government GHG Conversion factors for company reporting 2024. There is one gas meter and Carbon Neutral Vending have provided a photo of the meter for cross-reference.

The Well to Tank emissions for the gas have been included in Category 4 – Indirect emissions from purchased goods (see below).

Direct GHG emissions from mobile combustion

Carbon Neutral Vending have replaced all of its internal combustion engines (ICE) fleet vehicles with fully electric vehicles. Emissions have been calculated from monthly mileage readings collected by Carbon Neutral Vending as part of their internal management processes. This data has been converted into tCo2e using UK Government GHG Conversion factors for company reporting 2024. Photos of each vehicle's odometer have been provided for confirmation.

Category 2 - Indirect GHG emissions from imported energy

Indirect GHG emissions from imported electricity

Purchased Electricity for Office

kWh data has been taken from regular invoices and statements from electricity provider, Octopus. This data has been converted into tCo2e using UK Government GHG Conversion factors for company reporting 2024. The Transmission and Distribution emissions have been included in the emissions calculations.

All calculations have been based on actual meter readings. There is one electricity meter and Carbon Neutral Vending have provided a photo of the meter for cross-reference.

Electric Vehicle home charging

Carbon Neutral Vending has paid for the installation of electric vehicle charging points at a number of its employees' homes. kWh data has been taken from statements from the electricity provider. This data has been converted into tCo2e using the UK Government GHG Conversion factors for company reporting 2024. The Transmission and Distribution emissions have been included in the emissions calculations.

Category 3 - Indirect GHG emissions from transportation

Indirect GHG emissions from upstream transport and distribution for goods

Data was taken from Carbon Neutral Vending's accounting and stock control system, which provides details of individual deliveries and dates made to Carbon Neutral Vending by its five major suppliers.

Emissions have been calculated using distance travelled calculated using https://www.theaa.com/route-planner/route website. Where HGVs are used, information from suppliers is that Carbon Neutral Vending deliveries comprise 4-6 pallets of 26 loaded on each vehicle. An average laden UK Government emission factor has been used so that emissions are not under-estimated. Well to Tank emissions have been included in the calculations, using the UK Government GHG Conversion factors for company reporting 2024.

Category 4 - Indirect GHG emissions from products used by an organisation

Water

The emissions associated with incoming water purchased in the period have been included in this category. Data has been taken from water bills provided by water supplier, Wave, and water usage has been taken from actual meter readings provided by Wave. The actual volumes of water used in m^3 have been converted into tCo2e using UK Government GHG Conversion factors for company reporting 2024.

Mains Gas – Well to Tank

The Well to Tank emissions for the mains gas have been included in this category.

Business Travel

All business travel is carried out in company vehicles, which are accounted for in other emissions categories. There was one night's hotel stay in the period, which has been included in the emissions calculations.

Capital Goods

The transport emissions of the delivery of new vending machines purchased in the reporting period and delivered to Carbon Neutral Vending have been included in this category. These are the only capital items purchased in the reporting period.

Transport emissions have been calculated using a distance-based approach, by taking the distance from the supplier to Carbon Neutral Vending using the AA Route Planner route calculation tool. The Well to Tank emissions for the transport of the vending machines has been included in this category.

Waste Generated in Operations

- **Solid waste**

Emissions were calculated from data provided by the two waste contractors and taken from invoices. The waste contractors provided details of the type of waste container collected and the total number of bin collections made in the year, but did not provide specific weights or disposal routes. Emissions were calculated by taking the industry standard maximum weight of waste for the containers used from the SEPA database - https://www.sepa.org.uk/media/163323/uk-conversion-factors-for-waste.xlsx and multiplying by the UK Government GHG Conversion factors for company reporting 2024 GHG conversion factors.

- **Sewage water treatment**

The business supplied bills for the full reporting period, which was metered, and the usage has been calculated using actual bills which have been cross checked and daily units calculated where bill does not correlate with reporting period. Emissions have been calculated using UK Government GHG Conversion factors for company reporting 2024.

Category 5 - Indirect GHG emissions associated with the use of products from the organization

Emissions from downstream leased assets

To demonstrate their commitment to managing their carbon emissions, Carbon Neutral Vending have included the emissions created by the usage of their products by their customers.

The actual electricity usage of a representative sample of the six different models of vending machines was recorded at different customer sites over the period of a week at different times throughout the year in 2023 using plug-in meters to ensure that we have a more accurate emission calculation.

To do this, three machines of the same model were monitored at three different customer sites for the period of one week (a total of 18 vending machines at 10 different customer sites). At the end of the monitoring period, the average electricity usage of the three machines was calculated. This average consumption figure was then extrapolated to the other vending machines at customer sites in order to calculate the emissions of all 321 vending machines.

For machines where energy consumption data has been provided by the manufacturer, this data has been used to calculate emissions.

The kWh usage of these vending machines was converted to tCO2e using UK Government 2024 conversion factors. The Transmission and distribution losses emissions of the electricity consumed by the vending machines were included in the calculations.

Category 6 - Indirect GHG emissions from other sources

The disposal route of all Carbon Neutral Vending Machines is their sale to other vending machine companies who continues to use them. Carbon Neutral Vending therefore includes End of life emissions for products sold for the vending machines that it disposes of each year, accounting for their estimated end-of-life emissions at the point of sale to the third party. In the reporting period, 11 machines were sold to a third party and left our operational control.

Due to a lack of specific data on the end of life emissions of vending machines, UK Government Waste Disposal conversion factors for large WEEE were used to calculate emissions.

Excluded categories

Purchased Goods other than water

Carbon Neutral Vending's purchases vending machines which are made by a 3rd party service provider. It has not been possible to obtain data on the upstream emissions from the production of the vending machines purchased or acquired, i.e. extraction of raw materials and processing and manufacturing of goods, as this data is not readily available. Emissions from the transportation of the vending machines to Carbon Neutral Vending are included in Category 3.1 – Indirect GHG emissions from upstream transport and distribution of goods.

Employee Commuting and Homeworking

All employees travel to work in company vehicles, which are accounted for elsewhere and there is no home working. Therefore, this category has been excluded.

Upstream Leased Assets

This has been excluded as there are no upstream leased assets associated with the business.

Downstream Transportation and Distribution

All products are transported in Carbon Neutral Vending's own vehicles, so this category has been excluded. Emissions from Carbon Neutral Vending's vehicles are accounted for elsewhere.

Processing of Sold Products

There were none to be found associated with the business, on this basis the category has been excluded from the boundary.

Use of Sold Products

There were none to be found associated with the business, on this basis the category has been excluded from the boundary.

GHG Emission removals

Carbon Neutral Vending follows the hierarchy of Reduce, Remove, Offset as outlined in ISO 14068-1. We have not identified any opportunities for direct GHG emission removals in this period, and therefore have focussed on the reduction of emissions where possible. Our total emissions of 156.3 tCO2e has been offset by the purchase of 157 carbon credits which meet the criteria for carbon crediting programmes.

Carbon Neutrality Management Plan

Directors James and Kat Bond form the core of the carbon management team for Carbon Neutral Vending. They have worked with their team to develop a carbon neutrality management plan and carbon reduction plan, which follow ISO 14068-1's principles of Reduce, Remove, Offset, and which are in line with the Paris Agreement's Net Zero target. The team have ensured that all emission reduction initiatives introduced cause minimal social or environmental harm.

Science-based Targets

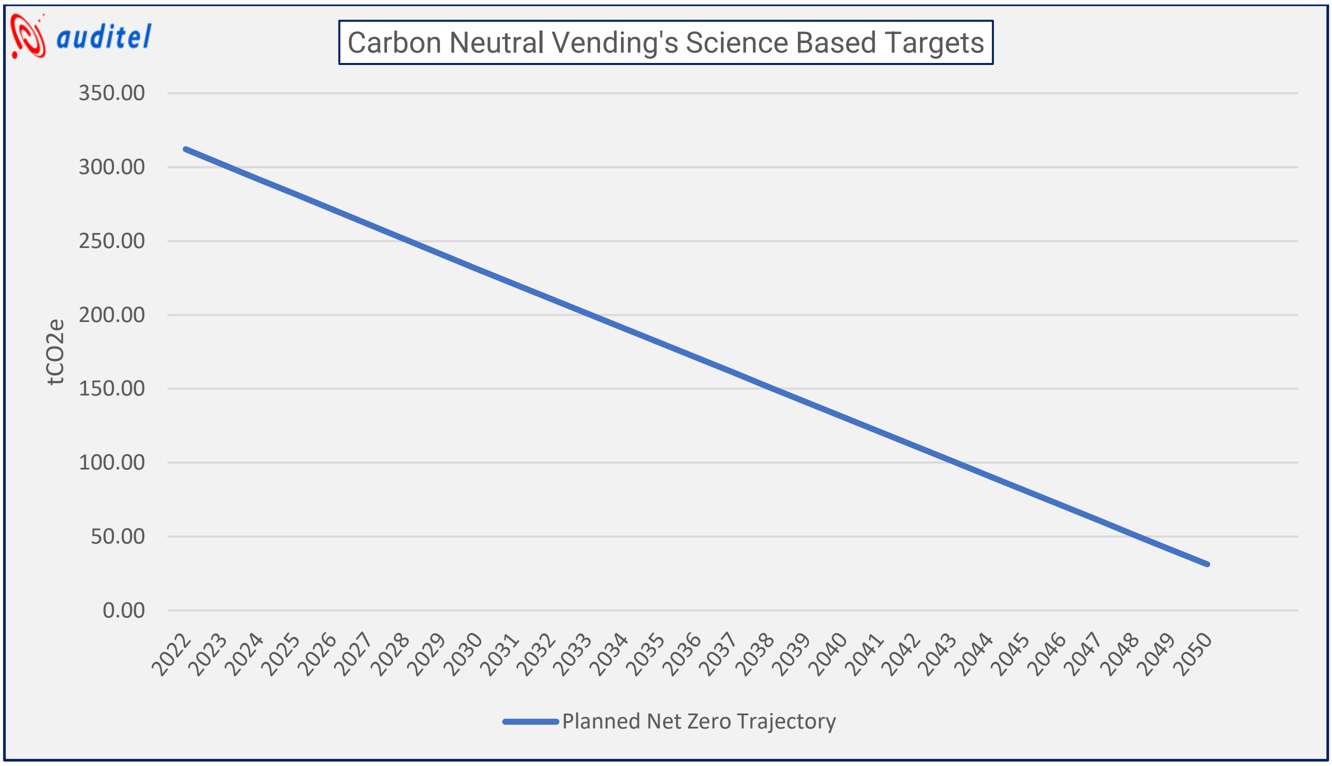
In line with ISO 14068-1, Carbon Neutral Vending's carbon neutrality pathway is based upon three ambitious but credible carbon-reduction targets; a short-term reduction target, a long-term reduction target and a date by which all carbon emission that are economically and financially feasible to eradicate have been removed and only residual emissions remain. In order to monitor progress against our carbon neutrality management plan, we have developed Net Zero-aligned science-based targets from our baseline reporting period of 2021-2022.

As detailed below, we have already exceeded our Science-based targets, and so have introduced more challenging targets which reflect our current trajectory.

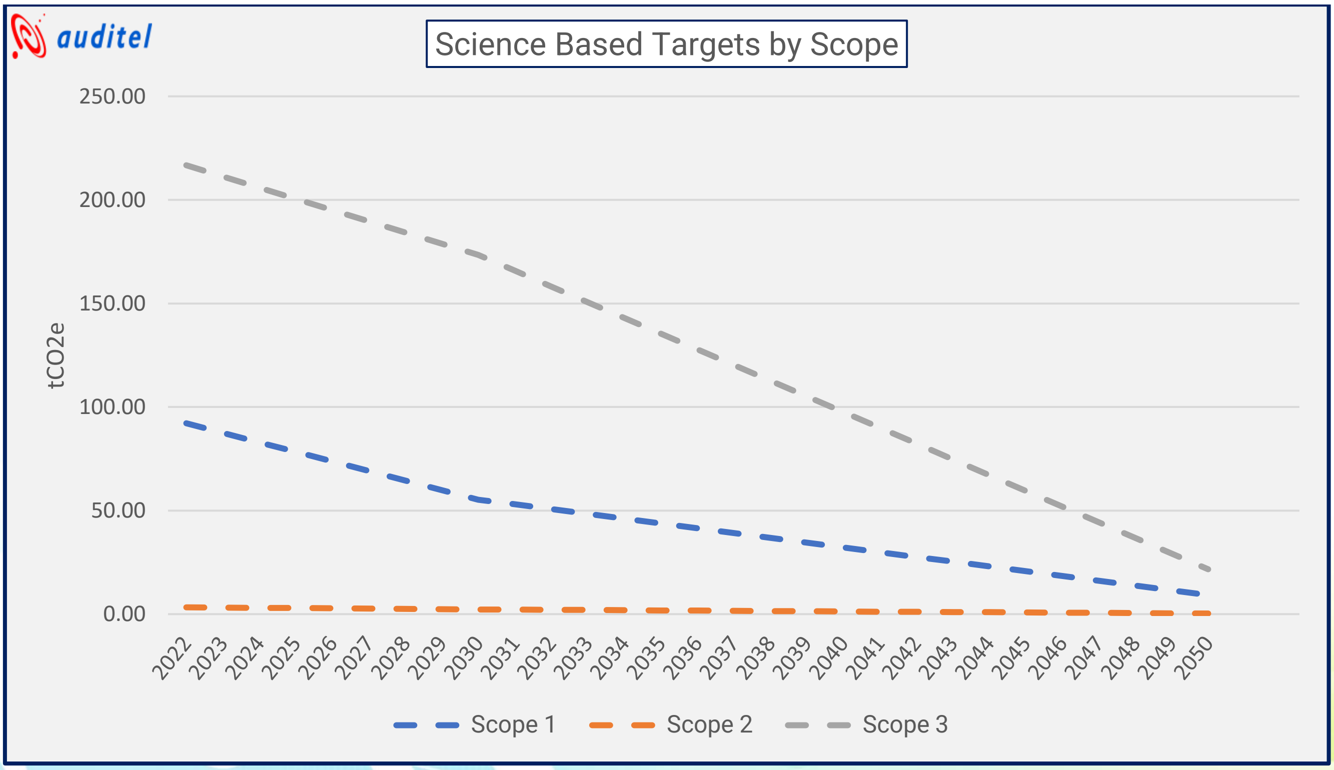
In order to achieve Net Zero, we have adopted the following updated carbon reduction targets, all of which are from the 2021 baseline.

- Short term target 1 –A 66% reduction in total direct and indirect emissions by 2030.
- Short term target 2 - A reduction in Scope 1 emissions of 100% by 2030.
- Short term target 3 – A reduction in Scope 3 emissions of 45% by 2030.
- Long term target - Carbon Neutral Vending is targeting Net Zero emissions across all our activities by 2045. At this stage only residual emissions will remain, which will be removed using as yet undetermined carbon removals, in order to reach net zero. This target includes the full activity of our supply chain working with us and coincides with the target date by which all carbon emissions that are economically and financially feasible to eradicate have been removed (net zero).

Planned Net Zero Trajectory – Reduction of all emissions



Planned Net Zero Trajectory – Reduction by GHG Protocol Scopes 1,2 & 3



Reductions made during the current period

We have introduced a number of measures in the period 1st April 2024 to 31st March 2025 in order to reduce our carbon emissions:

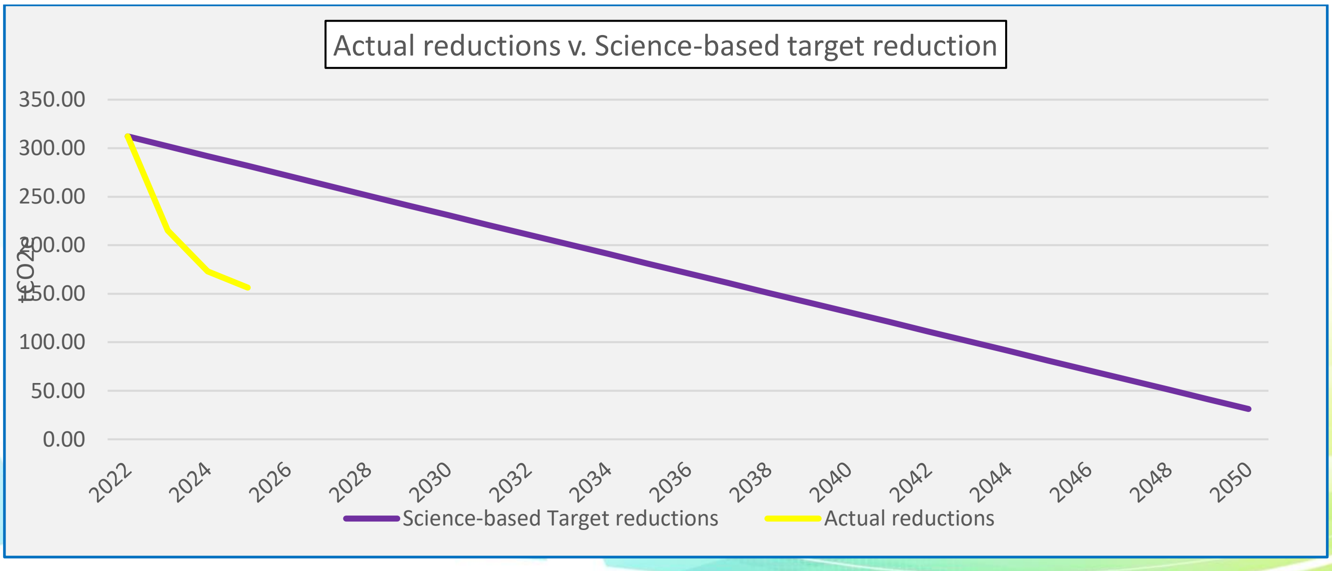
- We have replaced the remaining two internal combustion engine (ICE) fleet vehicles with fully electric vehicles, so that all our fleet vehicles (9 vans and 2 cars) are fully electric. As a result, our direct emissions from mobile combustion reduced from 92.16 tCO2e in 2021-2022 to 0.7 tCO2e in 2024-2025, a reduction of 99.8%. It should be noted that this has had the result of increasing our consumption of electricity to power our electric vehicles with an associated increase in indirect GHG emissions from imported electricity from 3.3 tCO2e in our baseline year to 22.5 tCO2e in the current reporting period.
- We have reduced the number of deliveries from our suppliers from every week to every two weeks to reduce mileage from Upstream Transport and Distribution.

Reductions in tCo2e from 1st period to 4th (current) period of measurement

Period	Years	Scope 1 tCO2e	Scope 2 tCO2e	Scope 3 tCO2e	TOTAL tCO2e	Reduction from previous year - tCO2e	Reduction from previous year - %	Reduction from baseline year - tCO2e	Reduction from baseline year - %
1	2021-2022	92.16	3.3	216.72	**312.18**	N/A	N/A	N/A	N/A
2	2022-2023	65.63	4.07	145.59	**215.29**	-96.89	-31%	-96.89	-31%
3	2023-2024	33.74	10.04	129.23	**173.01**	-42.28	-20%	-139.17	-45%
4	2024-2025	0.96	22.55	132.79	**156.3**	-16.71	-10%	-155.88	-50%

Achievement against planned Net Zero Trajectory

To date, Carbon Neutral Vending has exceeded its Science-based Targets and internal targets, and has already reached its 2037 reduction target of emitting 161 tCO2e. It progress is illustrated in the below graph, showing actual reductions in total Direct and Indirect Emissions v. a Science-based target pathway.



As is to be expected, there are still unabated GHG emissions and will be for the foreseeable future, whilst effective methods of carbon capture and storage are developed and implemented. These unabated emissions stem largely from the emissions caused by electricity consumption at our offices and at our client sites, plus the consumption of fossil fuels used by our suppliers' delivery vehicles. We are committed to reducing our unabated emissions until all feasible reduction efforts have been made. Residual emissions will be neutralised using high quality carbon offsets.

It should be noted that future reductions will be more gradual, as options for further reductions will be more challenging to achieve. 61% of Carbon Neutral Vending's emissions are from indirect GHG emissions associated with the use of products from the organization, namely the electricity consumed by the vending machines at its clients' premises. These emissions are largely influenced by factors outside of Carbon Neutral Vending's control, such as the emissions created by the electricity consumed and the requirement for many of its machines to be permanently turned on in order to retain the freshness of the food-products. It is anticipated therefore, that Scope 3 emissions will prove increasingly challenging to reduce.

Assessment of Uncertainty in GHG Quantification

In order to ensure the highest possible quality of our data, we use activity data where possible, including source data such as reports from providers of actual amounts of electricity, water, gas consumed, and records of the actual number of deliveries made by our suppliers. We do not use spend-based data, as we recognise this leads to inaccurate calculations. We make continuous efforts to improve the quality and accuracy of data, for example, by monitoring the actual electricity consumption of the vending machines, rather than using the industry average data and by using consumption data provided by the manufacturer.

There are a number of sources of uncertainty in our emissions data, particularly in the following categories:

- **Activity data uncertainty** – for example, we have estimated as closely as possible the miles travelled by our suppliers and the number of delivery journeys they have made.
- **Estimates and assumptions** – for example, we cannot be entirely sure of the end-of-life scenarios for our vending machines and have assumed that each one goes to landfill, in order to ensure we meet the principle of conservative accounting. With regards the vending machines located at client sites, we have made the assumption that these are constantly plugged in and turned on.

The use of conservative assumptions when calculating our emissions means that this uncertainty is likely to lead to over-reporting of emissions. We have also used recognised emissions conversion factors to calculate our emissions, as provided by the UK Government for the reporting period.

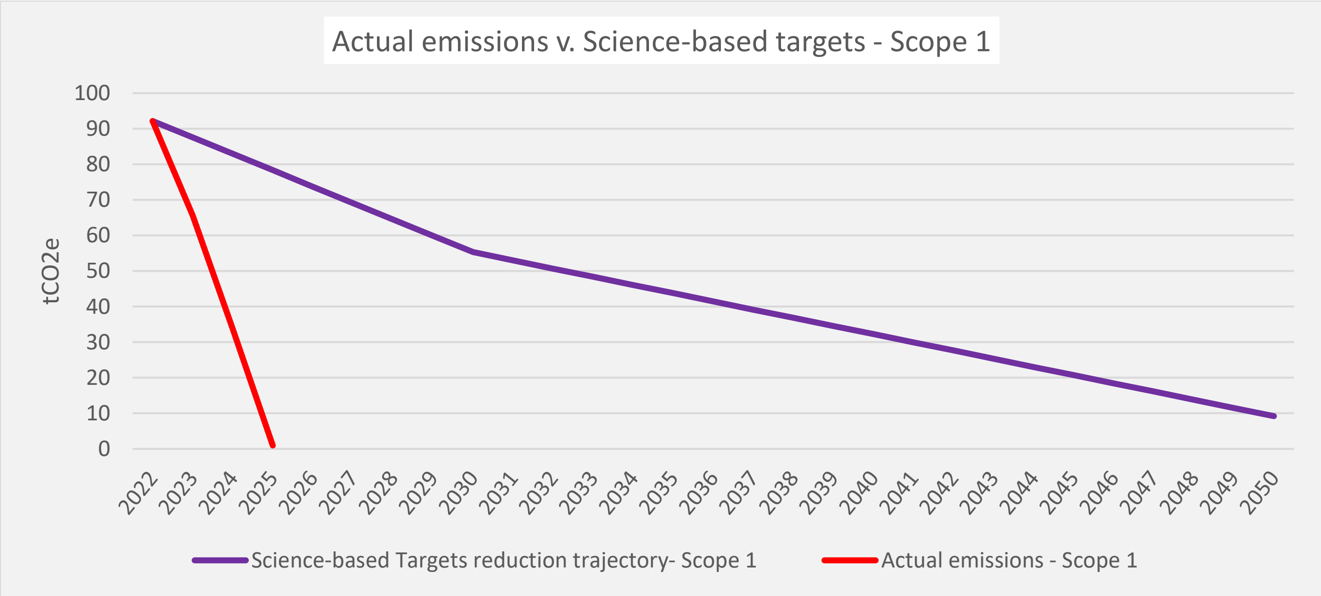
To manage the uncertainty over our offsets we have ensured that we purchase Gold Standard offsets which meet all of the requirements of ISO 14068 (as detailed elsewhere in this report).

Reductions in tCO2e by Category

GHG Protocol Scope 1- Actual emissions v. Science-based Targets reduction trajectory

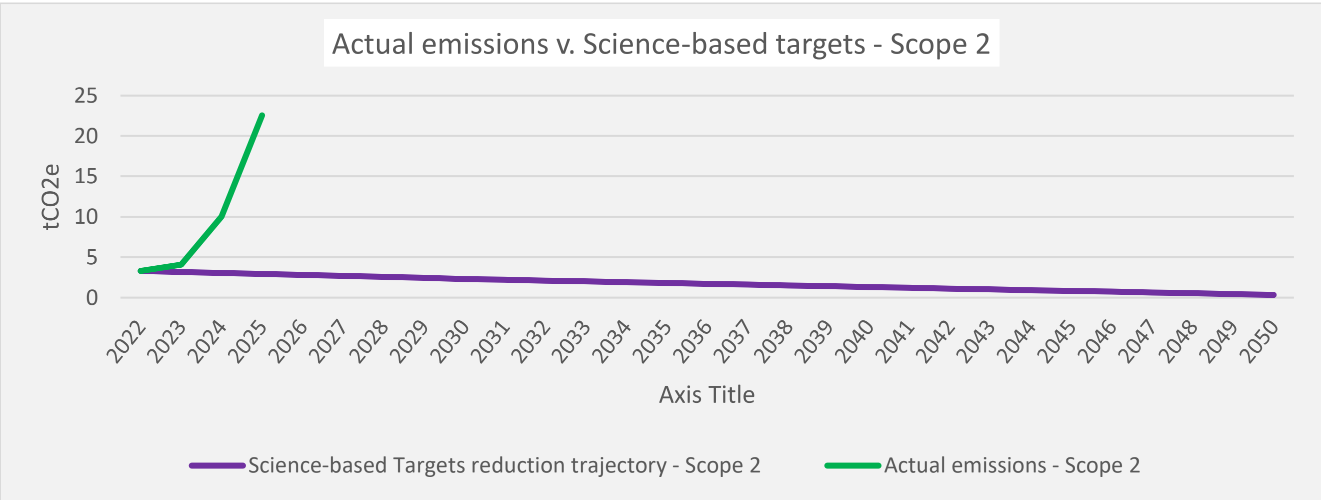
Scope 1 emissions have been reduced from a baseline of 92 tCO2e to 0.96 tCO2e, a reduction of 99%. This has largely been achieved by the replacement of all the original 11 internal combustion engine fleet vehicles with electric vehicles.

As a result, Carbon Neutral Vending has already achieved its long term target in reducing Scope 1 emissions.



GHG Protocol Scope 2 - Actual emissions v. Science-based Targets reduction trajectory

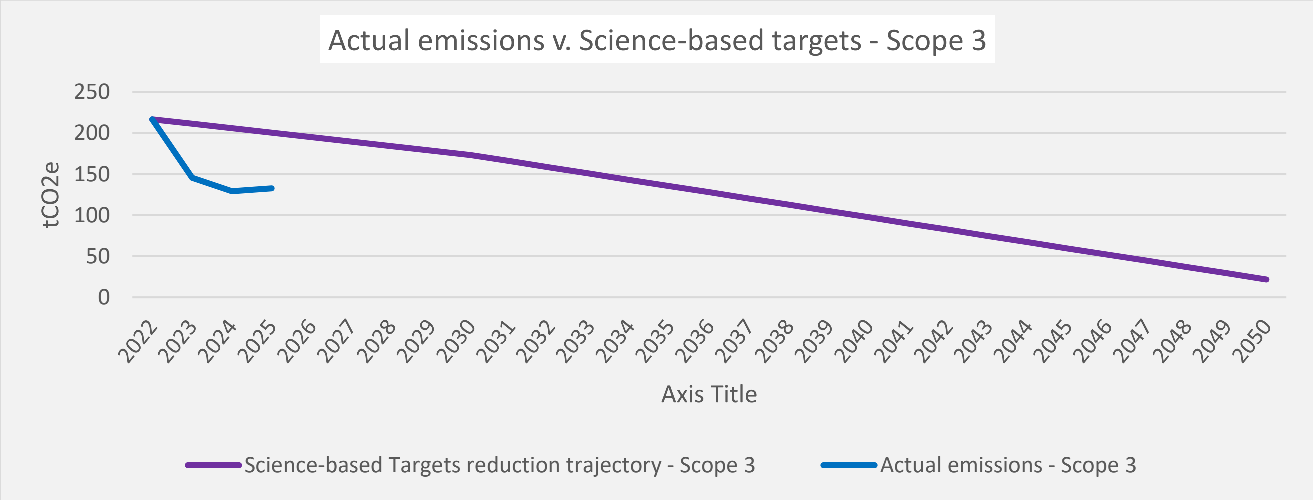
Scope 2 emissions have risen from 3.3 tCO2e in our baseline reporting year to 23 tCO2e in the current reporting period, an increase of 19 tCO2e. This is due to the increased use of electricity to power our fleet of electric vehicles, which has led to the reduction of 91 tCO2e in Scope 1 emissions, as detailed above.



GHG Protocol Scope 3- Actual emissions v. Science-based Targets reduction trajectory

Scope 3 emissions have been reduced from 217 tCO2e in the baseline reporting year to 133 tCO2e in the current reporting period, a reduction of 84 tCO2e (39% reduction). This has been largely achieved by reducing the frequency of supplier deliveries, particularly from suppliers who are based far away from Carbon Neutral Vending.

A small increase in emissions of 4 tCO2e between the last and current reporting period is due to a 10% increase in the number of vending machines sited at client locations, and the associated increase in electricity consumption in indirect emissions from downstream leased assets. As noted above, it will be challenging to reduce emissions in this category as although the assets are owned by Carbon Neutral Vending, their energy consumption and usage are largely out of Carbon Neutral Vending's control. In addition, Carbon Neutral Vending plans to increase the number of machines at client locations in future years due to a growth in the company.



Carbon Neutrality Management Plan

Statement of Commitment from Directors

At Carbon Neutral Vending, we recognize the urgent need to address climate change and our responsibility to reduce greenhouse gas (GHG) emissions in line with global climate goals. As part of our commitment to environmental sustainability and continual improvement, we are pursuing carbon neutrality in accordance with the principles and requirements of ISO 14068.

We, the top management, are fully committed to:

- **Achieving and maintaining carbon neutrality** for [scope of activities/products/services] through effective planning, implementation, and regular review of our Carbon Neutrality Management Plan (CNMP).
- **Integrating climate considerations into our business strategy**, operations, and decision-making processes.
- **Reducing our GHG emissions** through verified emission reduction actions and efficiency improvements, prioritizing in-house reductions over offsetting.
- **Using high-quality carbon credits** only for residual emissions that cannot currently be eliminated, in line with ISO 14068 requirements for integrity and permanence.

- **Engaging our stakeholders**, including employees, suppliers, and customers, to support our carbon neutrality objectives and encourage collective climate action.
- **Ensuring transparency**, by monitoring, reporting, and verifying our carbon footprint and neutrality status through third-party assurance as required.
- **Reviewing and improving** our management approach regularly to ensure ongoing compliance, effectiveness, and relevance in a changing context.

We understand that carbon neutrality is not a one-time achievement, but a sustained commitment. We pledge the necessary leadership, resources, and accountability to ensure that our journey toward climate responsibility is credible, science-aligned, and lasting.

Signed:

James Bond – Director of Carbon Neutral Vending Ltd., 26th June 2025

Kat Bond – of Carbon Neutral Vending Ltd., 26th June 2025

Planned Carbon reduction initiatives

We have a number of initiatives that we aim to undertake in the next 12 months, and which will further reduce our unabated Scope 1 emissions from our fleet vehicles and our Scope 3 emissions from our supply chain.

- Project 1 (2025-2026) Further reduce the frequency of supplier deliveries from 2 weeks to 3 weeks.
- Project 2 (2025-2026) - Introduce a contactless telemetry system for stock control for clients so that we only take the stock that is required. This will enable the use of smaller electric vans with a longer range. Will be introduced October 2025
- Project 3 (2025-2026) Testing of a smart fridge which uses 1000 kWh per year to replace Crane Shopper machine – (If successful, this will be a phased replacement over time)

Longer term carbon reduction initiatives which are planned include:

- Project 4 (2026-2027) - Install Solar Panels on the roof of our premises
- Project 5 (2024-2026) Continue to replace older vending machines with lower carbon alternatives.

The execution of the Carbon Reduction Plan will be measured and monitored during the year, and will be reported at the year end to demonstrate how effectively it has been implemented. This will give the opportunity to modify and amend the Carbon Reduction Plan based on events during 2025-2026 and introduce any opportunities that may emerge for further carbon reductions.

To ensure this can be achieved, data relating to the delivery of the Carbon Reduction Plan projects will be kept and presented for the end of year Carbon Footprint Report.

The residual CO_2 emissions are offset by purchasing verified carbon credits (certificate on page XXX of this document).

Indicators for monitoring and evaluating the effectiveness of the carbon neutrality management plan

To monitor and evaluate the effectiveness of our Carbon Neutrality Management Plan under ISO 14068, Carbon Neutral Vending has introduced performance indicators that align with our emissions reduction targets, actions, and performance over time.

We use two main types of indicators, both of which follow the SMART principle: 1. GHG emission indicators and 2. Performance against Targets.

Our GHG emission indicators used include:

Indicator	Unit	Purpose
Total GHG emissions (Scopes 1, 2, 3)	tCO_2e/year	To track our total emissions
GHG intensity per machine and employee	tCO_2e/unit & tCO_2e/£	To evaluate our efficiency
Emissions by scope and category	% of total	To identify hotspots and trends
Residual emissions post-reduction	tCO_2e	To determine areas for focus
Offset quantity	tCO_2e	Measures tCO2e neutralised
% of offsets that are permanent removals	%	Ensures our alignment with net zero goals

Our Performance against Targets indicators include:

Indicator	Unit	Purpose
Progress toward carbon neutrality target date	Milestone status	Monitors timeline alignment
Comparison to baseline year emissions	% change	Evaluates long-term improvement
Target vs actual emissions reductions	% gap	Flags under or overachievement

These indicators have enabled us to identify that our carbon neutrality management plan has been effective to date, with a year on year reduction in absolute emissions and intensity metrics, and the achievement of carbon neutrality each year so far.

Projected Emission Reduction

GHG Scope	Emissions in tCO2e – Period 4 - 1st April 2024 – 31st March 2025	Proposed Reduction in tCO2e in Period 5 - 1st April 2025 – 31st March 2026	Measures Planned
Scope 1	0.96	0	N/A
Scope 2	22.55	0	N/A
Scope 3	132.79	15.63	Further reduce the frequency of supplier deliveries from 2 weeks to 3 weeks. Introduce a contactless telemetry system for stock control for clients so that we only take the stock that is required. Testing a smart fridge which uses 1000 kWh per year to replace Crane Shopper machine
Total tCO2e	**156.30**	**140.67**	**Year 5 reduction - 10%**

Projected Emission Reduction

Date	2021 (Baseline) tCO2e	2025 tCO2e	2030 tCO2e	2035 tCO2e	2040 tCO2e	2045
Scope 1	92.16	0.96	0.00	0.00	0.00	0.00
Scope 2	3.3	22.55	5.00	0.00	0.00	0.00
Scope 3	216.72	132.79	100	60	25	0
Total	312.18	156.30	105	60	25	0

Carbon Neutral Vending intends to achieve and maintain carbon neutrality in the future by following an annual 4-stage process:

1. Accurately measuring our carbon footprint with the help of a qualified carbon accountant, and having this verified by an external third party body
2. Updating our carbon reduction and carbon neutrality targets based on performance
3. Updating our carbon reduction plan to include new methods of emissions reduction and removal
4. Purchasing verified high quality carbon credits to offset unabated emissions and to achieve a carbon neutral status.

Emission Reduction Approach: Absolute and Intensity-Based Targets

To support our carbon neutrality objective and align with global best practices, we apply a dual focus on absolute and intensity-based emissions reductions:

1. Absolute Reductions
We are committed to reducing our total greenhouse gas (GHG) emissions across Scope 1, 2, and relevant Scope 3 categories. Absolute reductions represent a real decrease in emissions, regardless of business growth, and are essential for long-term climate stability.

- Our goal is to reduce absolute emissions by 66% by 2023, compared to our base year of 2021, and by 100% by 2045.
- This reflects a genuine decrease in the total carbon footprint of our operations, achieved through efficiency improvements, low-carbon procurement, and operational changes.

2. Intensity-Based Reductions

In parallel, we monitor and report emissions intensity to track performance as our business evolves. For our business we use the following intensity metrics:

- kg CO_2e per vending machine in service and
- kg CO_2e per member of staff

These metrics helps us ensure that growth does not come at the expense of increased emissions intensity, and supports more granular benchmarking across our product lines and services.

3. Rationale and Use

While absolute emissions are our primary reduction target (in line with ISO 14068 and the Paris Agreement), intensity metrics are used as complementary indicators to:

- Compare performance across time.
- Assess operational efficiency as our fleet of vending machines expands.
- Identify hotspots or inefficiencies in specific machine types, client sectors, or service routes.
-

Our approach ensures that both environmental integrity and commercial realities are addressed in a transparent and balanced way.

Carbon Intensity Metrics

The decrease in direct and indirect emissions from the baseline period to the current reporting year has led to a subsequent decrease in our intensity metrics, as show below:

Metric	2022	2023	2024	2025
tCO2e per vending machine	1.07	0.74	0.55	0.35
tCO2e per member of staff	28.38	19.57	17.45	14.21

Residual Emissions and Carbon Offsetting Strategy

Assessment of performance against the Carbon Reduction Plan

We have purchased carbon offsets from Gold Standard for the equivalent of 157 tCO2e for a renewable energy wind power project in India, the details of which are as follows:

- **Program:** Gold Standard
- **Carbon Credits serial number:** GS1-1-IN-GS5673-12-2021-22771-33320-33476
- **Gold Standard ID:** GS5673
- **Order number:** GSM29014
- **Link to official carbon credits retirement certificate**
- **Link to full list of project documentation**
- **Quantity of credits used:** 157
- **Vintage:** 2020 – 2021
- **Date of issue:** 29th July 2022
- **Project type:** ACM0002 Grid-connected electricity generation from renewable sources (wind)
- **Location:** Gujarat, India
- **Removal or reduction project:** Reduction

The credits meet the following criteria of ISO 14068:

- ✓ Additionality
- ✓ Real
- ✓ Measurable
- ✓ Permanent
- ✓ Independently Verified
- ✓ Avoidance of Double Counting*
- ✓ Traceable and Transparent
- ✓ Derived from Recognised Standards
- ✓ Compatible with the Mitigation Hierarchy**
- ✓ Quantified in tCO_2e

*There is a risk of double counting associated with the carbon credits usage, as it cannot be clearly ascertained from the [carbon credit project documentation] whether or not the carbon credits used to offset emissions have been correspondingly adjusted by India, the host country in which the emission reduction took place.

** Due to the unavailability of suitable removal credits for purchase, avoidance credits have been purchased. However, in line with the mitigation hierarchy, we will purchase removal credits in future years, when suitable removal projects become available.

Carbon Credits Certificate

Climate+
Positive Action for Planet + People

We are delighted to confirm the retirement of
157 Verified Emission Reductions (VERs)
for
Carbon Neutral Vending Ltd
on **10/07/2025**

Renewable Energy Power Project by DDWL, India - (157x)

These credits have been retired, saving **157** *tonnes of CO2 emissions from being released into the atmosphere.*
Thank you for investing in a safer climate and more sustainable world.

Order number: GSM29014

Gold Standard

Retirement certificates are hosted on the Gold Standard Impact Registry, view your certificate.

Gold Standard | Chemin de Balexert 7-9 1219 Châtelaine, International Environnment House 2, Switzerland | goldstandard.org, +41 22 788 70 80, help@goldstandard.org

Sectoral Context

Our company operates in the vending machine leasing and servicing sector in the UK. This sector is characterised by:

- A reliance on electricity for refrigerated vending units (Scope 2 emissions)
- Moderate Scope 1 emissions from technician service vehicles
- Indirect emissions from machine manufacturing, refrigerants, and logistics (Scope 3)
- Long machine lifespans (~10–15 years) with reuse or resale, complicating end-of-life accounting

The sector is experiencing growing pressure to transition to energy-efficient, low-refrigerant machines. Government expectations around F-gas phase-down and Scope 3 transparency are shaping decarbonisation strategies. As such, our Carbon Neutrality Management Plan prioritises renewable electricity supply, vehicle electrification, increased supplier engagement to reduce transport, and the adoption of new lower-carbon vending machine technology.

Ambition

In line with ISO 14068 requirements and to demonstrate a credible and forward-looking approach to carbon neutrality, this section outlines our level of ambition in relation to global and national climate policy, our organisational capacity and responsibility to act, and our responsiveness to evolving climate science.

1. Alignment with Global and National Climate Policy Objectives

Our carbon neutrality pathway is designed to align with the goals of the Paris Agreement, particularly the ambition to limit global temperature rise to 1.5°C above pre-industrial levels. We have structured our reduction targets and offsetting strategy to be compatible with a science-based pathway, recognising the urgency and scale of emission reductions required.

At the national level, our actions support the UK Government's Net Zero by 2050 target, as legislated in the Climate Change Act 2008. We aim to achieve carbon neutrality well in advance of this timeline and contribute to the UK's interim carbon budgets, ensuring our pathway complements national decarbonisation trajectories.

2. Organisational Capacity and Responsibility to Act

As an organisation, we recognise our direct and indirect contribution to greenhouse gas emissions and accept both the capacity and responsibility to reduce them. Our leadership is fully committed to decarbonisation, as evidenced by the allocation of internal resources, our achievements so far with regards ongoing reductions in our carbon emissions, and the integration of carbon considerations into business planning.

3. Responsiveness to Emerging Climate Science

We recognise that climate science is continually evolving and that our understanding of planetary boundaries, climate tipping points, and mitigation pathways is being refined. We are committed to regularly reviewing our carbon neutrality strategy in response to:

- Updated guidance from the IPCC.
- Recommendations from climate science-based initiatives, such as the Science-Based Targets initiative (SBTi).
- Changes in the UK Climate Change Committee's advice or national policy.

This includes reassessing our emission factors, offsetting approach, and residual emissions thresholds to ensure they remain consistent with the best available science and global best practice.

Climate Change Mitigation Potential: Technical, Economic and Social Perspectives

As a supplier of vending machines our carbon neutrality strategy focuses on reducing emissions associated with equipment procurement, energy use during operation, transport, and servicing. The following outlines the mitigation potential of our actions from a technical, economic, and social perspective.

1. Technical Potential

Our carbon reduction initiatives use available and proven technologies including:

- Procurement of energy-efficient vending machines, prioritising models with low standby power consumption, LED lighting, and advanced insulation.
- Phasing out older or inefficient models in our leasing fleet to ensure improved energy performance across our customer base.
- Optimising logistics and reducing delivery journeys to reduce fuel consumption and associated emissions from our operations.
- Implementing remote monitoring systems to reduce unnecessary site visits and identify performance issues digitally.

2. Economic Viability
Our mitigation activities are designed to be cost-effective. For example:

- Energy-efficient machines provide lower total cost of ownership for clients through reduced electricity consumption.
- The reduction of delivery journeys reduces the amount spent on fuel.
- The change to an all-electric fleet of vehicles reduces the cost of fuel

From a business perspective, reducing emissions also enhances brand reputation and supports customer retention, particularly among sustainability-conscious clients.

Offsetting residual emissions is managed through verified, cost-efficient carbon credit providers, prioritising projects aligned with the vending sector's indirect impact footprint – specifically renewable energy.

3. Social Impact and Acceptance
While our operations have a relatively low direct social impact, we integrate responsible practices that contribute to wider sustainability goals:

- Ensuring reuse of machines when we upgrade them in order to reduce waste.
- Selecting offset projects that deliver strong community benefits, such as clean water access or reforestation, to complement our operational reductions.

We also maintain an open feedback loop with clients and suppliers to ensure our approach remains practical, accepted, and inclusive.

Monitoring and Review Process

Carbon Neutral Vending has introduced a monitoring and review process of its carbon management plan in order to achieve its emissions reductions targets. This includes the following elements:

- Regular meetings of the Senior Management Team to discuss progress against targets and future carbon reduction initiatives and options.
- Monthly meetings between the Senior Management of Carbon Neutral Vending and carbon accountants Auditel to discuss progress against targets and future carbon reduction initiatives and options.

- An annual measurement of Carbon Neutral Vending's carbon footprint report by Auditel, using recognised methodologies, including ISO 14064-1 and GHG Protocol.
- An annual review of progress against targets and a resetting of our carbon reduction strategy.
- Annual UKAS accredited external 3rd party verification of our carbon neutral status.
- Control of documents – we have established and documented procedures for maintaining and retaining documented information including retention, storage, and preservation in an electronic format

Proposed Safeguards for Avoiding Adverse Impacts on the Environment and Society

To uphold the principles of environmental integrity, social responsibility, and transparency as outlined in ISO 14068, the following safeguards have been proposed and integrated into our carbon neutrality strategy:

1. Environmental Safeguards
   - Avoidance of Biodiversity Loss - Carbon reduction and offsetting projects are selected to ensure they do not negatively impact biodiversity or lead to habitat degradation. Projects undergo environmental impact assessments where applicable.
   - Sustainable Resource Use - Measures are in place to ensure that reductions in carbon emissions do not result in increased water usage, land degradation, or unsustainable resource extraction. This is particularly relevant when transitioning to alternative materials or energy sources.
2. Social Safeguards
   - Protection of Human Rights - We comply with internationally recognised human rights standards, including fair labour practices and community rights.
3. Governance and Monitoring
   - Third-Party Verification - All emission reductions and removals are independently verified to internationally recognised standards to ensure environmental credibility and transparency.
   - Risk Management - We assess all our proposed carbon reduction initiatives to identify potential environmental and social risks.
   - Compliance with International Standards - All offsets are procured from Gold Standard, which includes carbon removal and reduction projects which meet the criteria of ISO 14068.

Stakeholder Communication Plan

We communicate our progress towards Net Zero to our stakeholders clearly and transparently in a number of ways. Since our baseline carbon footprint, and upon confirmation by BSI of our achievement of carbon neutrality, we have published our signed QES for PAS 2060 on our website and communicated it directly to our clients and suppliers. We share the results of successful carbon reduction initiatives with our clients, in the hope that they will adopt some of these for themselves.

We will continue to communicate our future achievements of carbon neutrality in the same way.

Declaration of achievement

Carbon neutrality achieved by Carbon Neutral Vending Ltd. in accordance with ISO 14068-1 at 10th July 2025 for the period commencing 1st April 2024 to 31st March 2025 by BSI of 389 Chiswick High Road, London, W4 4AL.

James Bond / Kat Bond

Director

.... **Date:** 10th July 2025