

Net Zero Annual Report

July '24 – June '25



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Measured emissions vs target projections

Think Hire's scope 1 emissions have decreased more than the rate of linear reduction required to stay on track with near-term targets. Scope 2 emissions have also decreased slightly, though less than targeted. The base year for scope 3 emissions has been adjusted to FY25, in line with much improved inventory completeness and changes to manufacturing models in comparison with the FY24 reporting period.



Executive Summary

Current footprint:

5,098.5tCO₂e (market-based)

Our highest emitting categories FY25 were:

- Purchased Goods & Services
- Capital Goods
- Upstream Transportation & Distribution

We intend to:

- Reduce scope 1 & 2 emissions by 100% by 2035.
- Reduce scope 3 emissions by 90% by 2050.

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Our why

Why we're taking action.

The climate crisis is arguably the most critical challenge of our times. Because small businesses collectively account for around half of UK business emissions, we must play our part in driving emissions down, to prevent catastrophic global impacts on our planet and its inhabitants.

In a changing world where corporate social responsibility and environmental issues become ever increasingly prominent, we are now aiming to move a step forward in championing our environmental and social efforts for a better planet. Transitioning to Net Zero is also (rightly) becoming a business choice we must take. Customers are increasingly making choices based on a company's environmental ethos, whilst governments and investors in general are increasingly mandating cleaner companies and practices.

Our Net Zero Roadmap lays out, until 2030, which activities our emissions come from and how we plan to drastically reduce them in line with internationally recognised standards. It also builds on our previous work, which is stated in this report as well as on our website.

There is now overwhelming scientific evidence of climate change.

Greenhouse gas emissions have climbed to their highest levels in human history. We are not doing enough to respond to this crisis and limit warming to 1.5°C (the Paris Agreement's threshold to avoid the most catastrophic impacts for people and nature).

The latest climate report from the UN's Intergovernmental Panel on Climate Change (IPCC) offers a message of hope, a warning, and a challenge - and businesses have a crucial role to play in changing the course of our planet's future. The report shows that we already have solutions, in every sector, to halve emissions by 2030, in line with a 1.5°C pathway.

Risks and Opportunities

It is important that we acknowledge both the climate risks to business, and the opportunities presented by embracing environmental sustainability.

Risks

- Supply chain disruptions
- Human health risks (extreme weather and pollution)
- Evolving customer demands and industry standards
- Rapidly changing regulations
- Increased insurance costs
- Increased heating and cooling costs
- Reputational impacts

Opportunities

- Attract and retain talent and customer
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Optimise efficiencies, reduce costs
- Increased resilience to change
- Brand enhancement

Our Carbon Footprint

Scope 1 and 2 emissions

Think Hire's scope 1 and 2 emissions are related with premises and fleet energy consumption. Reductions in stationary combustion achieved since the base year are associated with reduced gas consumption at Think Hire's Manchester site.

Mobile combustion emissions have decreased in line with lower overall fleet activity and efforts to utilise hybrid and/or electric vehicles wherever possible.

Where HGV vehicles were required, emissions have decreased between the base and current reporting period, however, a change in methodology (from fuel volume to vehicle mileage) means we will need to monitor future reported emissions to assess whether reported reductions are significantly impacted by changes in methodology.

Finally, purchased electricity emissions have shown a slight decrease but remain relatively stable. This reflects increased electricity consumption at Think Hire's Manchester site balanced by reduced hybrid and electric vehicle charging between reporting years.

Category		FY24	FY25	+/-	% Change
Scope 1	Stationary Combustion	13.9	9.6	-4.3	-31%
	Mobile Combustion	223.4	157.8	-65.6	-29%
	Fugitive Emissions	0.0	0.0	0.0	n/a
	Process Emissions	0.0	0.0	0.0	n/a
	Total Scope 1	237.3	167.4	-69.9	-29%
Scope 2	Purchased Electricity	13.2	12.7	-0.6	-4%
	Heat & Steam	0.0	0.0	0.0	n/a
	Total Scope 2	13.2	12.7	-0.6	-4%
Total	250.5	180.1	-70.4	-28%	

Scope 3 emissions

Following measurement of the FY25 reporting period it became apparent that the previous FY24 measurement was an incomplete representation of Think Hire’s operational emissions. For this reason the decision was made to adjust the scope 3 base year to FY25.

This change also aligns with a change in Think Hire’s operating model which occurred between the FY24 and FY25 reporting periods, whereby the majority of capex builds were outsourced. The decision to adjust the base year to FY25 is therefore deemed positive as it is a complete representation of upstream operational emissions and reflects a current ‘normal’ operating year – as required for establishing a base year under Greenhouse Gas Protocol guidance.

Scope 3 emission hotspots are discussed on pages 17-19 onwards, alongside initiatives to begin addressing key hotspots.

	Category	FY25
Scope 3 (Upstream)	Goods & Services	2,585.1
	Capital Expenditure	1,592.1
	Fuel- and energy-related activities	63.4
	Transportation and Distribution	574.9
	Waste Generated In Operations	0.4
	Business Travel	45.4
	Commuting & Homeworking	56.9
	Upstream Leased Assets	0.0
Total		5,098.5

Our Net Zero Targets

Think Hire's Net Zero

To achieve Net Zero, organisations should aim to reduce emissions in line with the latest guidance from the Science-Based Targets Initiative (SBTi). For most organisations, Net Zero involves reducing emissions by at least 90% by the target year, which should be no later than 2050.

Under latest guidance near-term scope 1 and 2 targets are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. Near-term scope 3 targets can also be set in alignment with a "well below 2°C" scenario, however, this is likely to be phased out in future guidance revisions.

Think Hire has initiated the process of having Net Zero targets validated by SBTi, which will support stakeholder confidence in our ambitions and approach to reducing emissions. Think Hire has submitted near-term scope 1 and 2 targets and long-term scope 3 targets for validation, these are detailed on the following page.

What's the difference?

Net Zero

When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon Neutral

A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/offsetting schemes.

Zero Emissions

When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our Net Zero Targets

1

Reduce scope 1
emissions by 100%
by 2035*

2

Reduce scope 2
emissions by 100%
by 2035*

3

Reduce scope 3
emissions by 90%
by 2050**

*Against an FY24 base year
**Against an FY25 base year

Our Net Zero Roadmap

Achievements to date.

Measuring our emissions

In 2024 we committed to measuring and reporting our business' GHG emissions annually and appointed Positive Planet to support with this. Allowing us to understand where our emissions come from, take action to reduce them and develop science-based targets to ensure we are striving for ambitious results.

Internal resourcing

We have appointed a Head of ESG role within Think Hire, this role is responsible for spear heading Net Zero initiatives. Including engagement and communication of initiatives internally and externally, supporting internal teams in adopting initiatives and monitoring and reporting of progress.

Employee engagement

Prior to the appointment of our Head of ESG we were considering 3rd party provided training and engagement options for Think Hire's employees. We are now reviewing training requirements to identify where engagement can be handled internally and where additional training for non-ESG focused roles may support the Head of ESG in delivering our Net Zero initiatives.





Occupied premises

Scotland & St Albans

We have no energy-related emissions to report at our Scotland or St Albans sites as they benefit from renewable energy generation coupled with battery storage capacity which allows 100% of electricity and heating demand to be generated on-site.

Manchester

At our Manchester location we rely on mains gas and electric for our heating and energy requirements. In 2025 gas and electricity consumption at Manchester accounted for 0.19% and 0.25% of total emissions respectively. While this is a small contribution overall addressing them offers opportunities for quick wins while working to address more complex value chain emissions.

We are working with the facilities management and other tenants to influence a switch to renewable energy and remove dependency on gas for heating and hot water. As part of our commitment to reducing energy demand and location-based scope 2 emissions, we aim to effectively service all heating and chilling systems and maintain our environmental standards across all our premises.

In the short-term we are taking actions to incentivise heating efficiency behaviours. We will continue to explore solutions to address gas use, including renewable solutions and facilitating upgrades via Government grants.

Company fleet

Fleet data collection

Between the base and current reporting period the quality of data used to calculate HGV emissions decreased due to moving from fuel consumption to distance-based calculations. Our remaining fleet emissions have been calculated using distance for both reporting years.

Moving forward efforts to obtain fuel consumption (inc. kWh for EV/hybrid charging) data for fleet vehicles will allow us to draw demonstrable conclusions around emissions trends. This may require a review of existing telematic systems to ensure appropriate systems/reporting processes are established.

Transitioning to electric vehicles

We are conducting a review of our company car policy and fleet management to determine an electrification strategy. In the short term, this step will entail downsizing our fleet and replacing remaining fossil fuel vehicles with fully electric at the end of their useful life. In the long term, we will explore suitable options for decarbonisation of larger vehicles and keep up to date with latest market developments.

We will also investigate installing electric vehicle charging infrastructure on site to support fleet electrification. Once we procure a renewable tariff for our site, fleet vehicles can benefit from renewable energy for charging, which would reduce market-based Scope 2 emissions. This action can also aid with business travel & commuting emissions where staff are able to access on-site charging for personal vehicles.

Hydrogenated Vegetable Oil (HVO)

While working to phase out fossil fuels HVO offers an interim low-emission alternative to diesel fuel used on our vehicles, machinery and tools.

Made from waste oils, HVO can be supplemented directly into diesel engines with no modifications. This allows pure HVO to power engines or be mixed with diesel as a 'drop-in' fuel, resulting in significant reductions in emissions.

The addition of HVO to on-site fuel depots offers the opportunity to dramatically reduce emissions in the short-term. This will however require consideration of availability, supply reliability and cost. Which can vary regionally in the UK.

Supply chain emissions

Purchased Goods and Services and Capital Goods are Think Hire's largest GHG categories, comprising 82% of FY25 emissions. Currently emissions in these categories are estimated using a spend-based approach. This means emissions estimates are based on average industry emissions intensities and are intrinsically linked to annual spending, meaning they cannot tell us much about our specific supply chain.

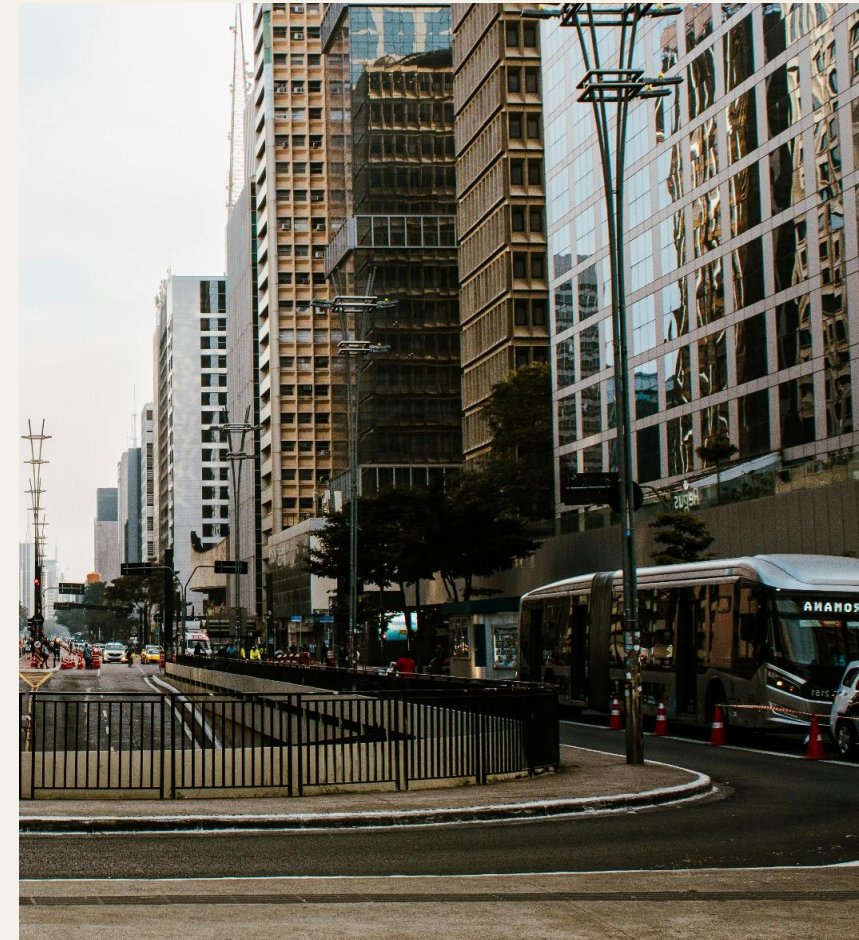
Moving away from a spend-based approach through collecting and incorporating supplier specific sustainability information into our reporting is a key priority in addressing our emissions. This will facilitate the assessment of supplier ambitions against our own and reflection of their own achievements within our footprint.

Building sustainability into our processes

We are aiming to recruit a sustainability function into our procurement team during 2026. Additionally, the incorporation of sustainability criteria into existing procurement policies will lay the groundwork for fostering a sustainable supply chain. Engraining sustainability into internal processes will allow us to effectively demonstrate and communicate our aims to suppliers, whether establishing new contracts or developing on existing partnerships.

Engaging suppliers

Our revised procurement policies will be launched in tandem with a phased approach to supplier surveying and wider engagement efforts to begin mapping our suppliers own sustainability maturity. The outcomes of this engagement will support the continued development of a supply chain sustainability roadmap, with focus on expanding engagement, supplier targets, data availability, Net Zero alignment and solutions to reporting barriers.



Business travel

Our Business Travel emissions are associated with employee mileage, rail, air & ferry travel plus accommodation. In FY25 these emissions were calculated using a hybrid activity- and spend-based approach, with preference to the former where possible.

Collecting primary travel activity data (engine/fuel type, distance, ticket class) will allow us to carry out audits and track travel trends over time while decoupling emissions from spend on travel.

The development of a sustainable travel policy will help engrain responsible decisions into existing travel behaviours. This policy will outline a digital first approach and a hierarchy of transport modes to be considered where travel is unavoidable.

We understand that the location of our sites requires special consideration as access via low-carbon modes of transport can be restrictive. Engaging staff during development will highlight what barriers are currently faced.


The development of separate procedures for home-client and home-site travel may offer a solution to site travel restrictions but will need closer attention to monitor.

Transportation & distribution

Key to reducing emissions from the freight of products to our warehouse, clients and customers is engaging with distribution partners, to ensure we work with those dedicated to decarbonisation within the logistics industry.

Obtaining direct emissions reports will allow us to move away from the current spend-based approach to measuring emission and accurately track emissions reductions achieved by our partners as they transition to low emission freight alternatives such as EVs, HVO or hydrogen fuelled vehicles.

Where supplier-specific emission reports are not available, we will work to collect activity data for deliveries (mode of transport, distance travelled, and weight of goods transported) to improve data quality and oversight over distribution emission hotspots.



Whilst engaging with distribution partners, we will continue to explore the below options for operations we have control over, to improve efficiency and reduce product shipping emissions.

1. Packaging efficiencies

Reassess our packaging and prioritise minimum packaging in shipments.

2. Distribution efficiencies

Engage with our distribution partners to understand alternative modes of transport with low carbon emissions.

3. Local and last mile delivery

Once electrified, deliveries made on behalf of our logistics would be significantly lower than those made using conventional road vehicles.

Appendix - Methodology

How we **measure** our footprint

In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our emissions are calculated:

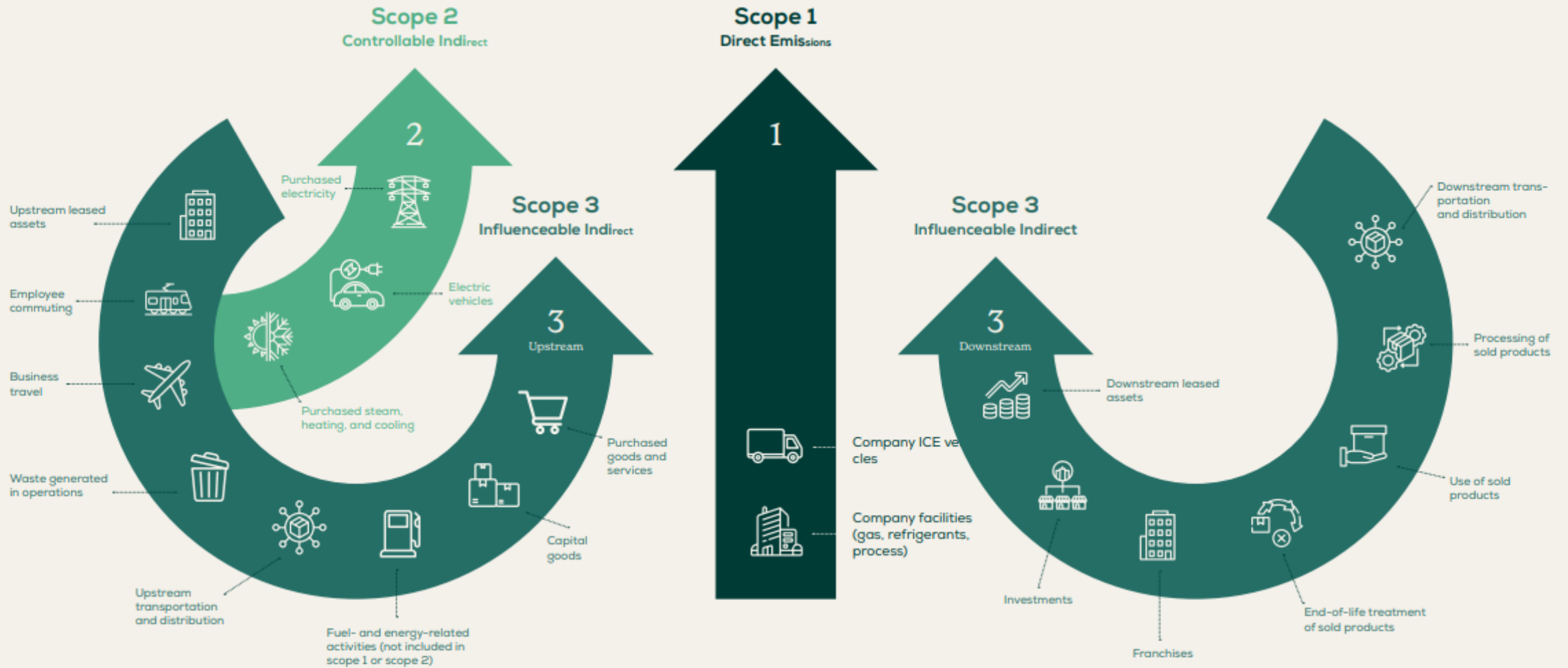
Positive Planet has calculated Think Hire's greenhouse gas (GHG) emissions in line with the GHG Protocol, the globally recognised standard for carbon reporting.

Emissions are categorised into Scope 1 (direct), Scope 2 (energy-related) and upstream Scope 3 (indirect) emissions. Results are reported in tonnes of carbon dioxide equivalent (tCO₂e), which standardises the impact of seven key greenhouse gases. The diagram on the following page helps to visualise where these emissions come from and how they fall within the scopes.

Calculations are based on data provided by Think Hire applied to UK Government issued emission factors, with spend data adjusted for inflation where needed. Where available activity-based data (e.g. energy/fuel consumption) has been prioritised; otherwise, a spend-based approach has been applied. Data reported to Positive Planet has undergone high-level review but has not been completely verified to source.



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Upstream Activities

Reporting Company

Downstream Activities

Emissions **restatement** policy

To ensure comparability between our base and future subsequent reporting years it may become necessary to restate our base year emissions in line with changes to organisational structures, data availability, methodologies or emission factors.

Ensuring comparability:

Base year emissions should be representative of a typical operating year. As Think Hire's operating model and structures evolve it may become necessary to adjust our base year emissions to reflect current organisational factors (e.g. new property acquisitions, change in manufacturing models).

Additionally, carbon accounting guidance and emission factors provided by external bodies may be subject to periodic change due to improvements in data availability, calculation methods and industry best practices. These changes are outside our control, however, we may need to remeasure and restate base year emissions occasionally to ensure comparability and alignment with current standards, maintaining the accuracy of reported emissions and the integrity of reported progress towards our Net Zero targets.

Typically, we will restate historic emissions when organisational, methodological or guidance changes occur that have a significant (+/-5%) impact.

In line with the above Think Hire's FY24 reporting period has been restated to align with updates to respective spend- and activity-based emission factors published since the last measurement. Where this is necessary in the future, our approach will be to remeasure the base and penultimate years alongside the current reporting period.

**Working together to make positive
business choices for the planet**

positiveplanet.uk

enquiries@positiveplanet.uk

0161 7688 555