
VWS (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

EMPLOYEE INVOLVEMENT

The Company consults its staff on matters of concern in the context of their employment.

During the year, the policy of providing employees with information about the Company has been continued through the use of the intranet and newsletters in which employees have also been encouraged to present their suggestions and views. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

DISABLED EMPLOYEES

It is the policy of the Company to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the Company as well as generally through training and career development.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the Directors' Report.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

Our approach to reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard. In line with the guidance on SECR, we have included the energy and emissions for the buildings within our operational control, which includes 1 owned site as well as leased facilities. We have used the latest Defra emissions factors, and our gross emissions total in the table, applies the 'location based' accounting methodology for grid emissions. We have chosen the intensity measure gross scope 1 and 2 emissions in TCO2 per £1m of revenue to provide comparative consistency.

	2020 Emissions tCO2 (first year of reporting) £000
Total Energy Consumption used to calculate GHG emissions (KWH)	5,743,897
Emissions from purchased energy	1,431
Emissions from fuel combustion for travel purposes	683
Total Gross GHG emissions (tCo2)	2,114
	22 tonnes / £1m of revenue

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Methodology used to calculate the total Energy consumption (kWh):

- Gas and Electricity kWh has been taken directly from bills or meeting readings provided by the landlords
- UK government SECR kWh passenger vehicles correction factor for average sized has been used, which can be accessed via the Government website at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>
- Business Travel for air and rail have been calculated using the Department for Environment, Food and Rural Affairs ("DEFRA") guidance, the CO2e factor for the relevant type of travel and has been provided by our business travel provider.

Emissions factors:

The Company has applied the following emission factors:

- UK government emission conversion factors for greenhouse gas company reporting 2020, which can be accessed via the Government website at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>
- The factors used for Electricity kWh to CO2 KG is 0.541 and for Gas kWh to CO2 KG is 0.1836.
- The UK&I group has a company car policy in place and in line with the car industry standard, this imposes the use for company cars of vehicles emitting a maximum of grams of CO2 per kilometre of 129, known as 129g/km.

In relation to energy efficiency improvements in the year we note the following. Gas Usage increased in 2020 compared to 2019 by 20% (2020 - 1826503 kWh, 2019 - 1520296 kWh), however production increased at our Stoke on Trent site in both SOLYS (140%) and Mobile Water Solutions (39%). A system that was fitted a number of years ago, Vickers Energy Management System, has been the main contributing factor in this as it cuts off gas supply to ambi-rad heaters once the element is up to temperature meaning that there is no gas wastage compared to a heater without the system which would expel unused gas out of the flue.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.