



PAS 2060 Qualifying Explanatory Statement

First period: 1st July 2022 to 30th June 2023



Introduction

This document forms the Qualifying Explanatory Statement to demonstrate that Virgin Wines Online Ltd, for the defined subject below, has achieved carbon neutrality for its operational Scope 1 and Scope 2 and Scope 3 emissions for the period commencing 1st July 2022 to 30th June 2023.

Section 1: General information

Entity making PAS 2060 declaration	Virgin Wines Online Ltd
Period during which the entity is demonstrating achievement of carbon neutrality	1 st July 2022 – 30 th June 2023
Subject of PAS 2060 declaration	This declaration applies to the scope 1, scope 2 and scope 3 emissions of Virgin Wines. Emissions are defined using the GHG Protocol Standard, and the operational control approach. The GHG protocol is used to minimise uncertainty and yield accurate, constant and reproducible results. Our emissions mainly arise from three sources, emissions from upstream transportation, downstream transportation, and electricity usage.
Description of Subject	Virgin Wines is one of the UK's largest direct-to-consumer wine retailers, supplying high quality products coupled with excellent customer service and innovative ways of retailing. More than 90% of our wines by volume are exclusive to Virgin Wines. Virgin Wines operates in the UK only and employs over 190 people.
Defined subject	All business and facility operations occurring in the UK (that is our Norwich office, and Preston and Bolton warehouses). The storage, distribution, supply, use and final disposal of all products, and transport of 39.80% of wines procured from overseas vineyards to our warehouses (covering a single supplier, Wine Fusion). Covering all applicable Scopes 1, 2 and 3 categories within the GHG Protocol with the following exclusions and inapplicable areas:




PAS 2060 Qualifying Explanatory Statement

	<ul style="list-style-type: none">• Scope 3, Category 4, Upstream transportation, and distribution – currently limited to Wine Fusion products only when it comes to product importation (39.80% of FY23 wines) as it is not considered feasible for the full Category 4 emissions to be offset at this time.• Scope 3, Category 10, Processing of sold products: excluded as not applicable to our business• Scope 3, Category 13, Downstream leased assets: excluded as not applicable to our business• Scope 3, Category 14, Franchises: excluded as not applicable to our business• Scope 3, Category 15, Investments: excluded as not applicable to our business
Rationale for selection of the subject	<p>For our second year we have included scope 1, scope 2 for which we have comprehensive and accurate data. As per the PAS 2060 recommendations, all Scope 3 emissions sources that are technically feasible and cost-effective to implement carbon neutrality are included in this declaration. Some categories that we have emission data for, would not be feasible for us to fully off-set. As such, only 39.80% of Scope 3, category 4 emissions relating to the importation of wine have been included.</p> <p>Categories 10, 13, 14 and 15 are excluded as they are not applicable.</p>
Type of conformity assessment	Independent third-party verification
Baseline date for PAS 2060 programme	1 st July 2021 to 30 th June 2022
Scope of emissions footprint under claim	Scope 1, Scope 2, and Scope 3
Individual responsible for provision of data demonstrating carbon neutrality	Emily Revell PR, Purpose & Sustainability Manager Virgin Wines



Section 2: Declaration of commitment of carbon neutrality

Virgin Wines is committed to carbon neutrality of scope 1, scope 2 and scope 3 emissions in accordance with PAS 2060 at X for the period commencing 1st July 2021 to 30th June 2022.

Recorded carbon footprint of the subject during the period stated	1 st July 2022 to 30 th June 2023.
Carbon footprint reduction target for period	To maintain our carbon neutral status and reduce emissions.
Location of GHG emissions report supporting this claim	Section 4
Location of the Carbon Footprint Management Plan	Section 5
Location of the details describing the carbon offsets	Section 6
Locations of the details describing internal reductions achieved (recertification only)	n/a
Name of Senior Representative	Senior Representative Signature
Name: Nathan Wadlow Role: Brand and Digital Marketing Director Date: 06/12/ 2023	

Section 3: Declaration of on-going commitment to carbon neutrality

Virgin Wines are committed to maintaining carbon neutrality for scope 1, scope 2, and scope 3 emissions in accordance with PAS 2060 for the period 1st July 2023 to 30th June 2024.

Section 4: Carbon footprint report

This carbon neutrality verification against the requirements of PAS 2060 is based on Virgin Wines' FY2023 emissions data applying operational control of boundary. Independent assurance of the emission sources contained in this declaration was obtained by NQA. All calculations were made in accordance with the Greenhouse Gas (GHG) Protocol using government published and best practice appropriate sub-regional, national, or international emission factors. These methods are widely recognised and recommended for the reporting of GHG emissions for PAS 2060. Materiality of the report is 5%.

Calculation methodology, quality, and verification

Reported emissions were calculated from FY2023 activity data consisting of invoices and metered consumption. The calculations undertaken were complete with all sources of Scopes 1, Scope 2 and Scope 3 included. Some categories that we have emission data for, would not be feasible for us to fully off-set. As such, only 39.80% of Scope 3, category 4 emissions relating to wine importation have been included.

Scope 1 emissions

Scope 1 emissions: 42.704 tCO₂e



Scope 2 emissions

Scope 2 emissions: 48.099 tCO2e

Scope 3 emissions

As per the PAS 2060 recommendations, all Scope 3 emissions sources that are technically feasible and cost-effective to implement carbon neutrality are included in this declaration. As such, Scope 3 Category 4 is currently limited to Wine Fusion products only (39.80% of FY23 wines) as it is not considered feasible for the full Category 4 emissions to be offset at this time.

Scope 3 emissions: 1403.322 tCO2e

Total carbon footprint

The total carbon footprint for Virgin Wines across Scope 1, Scope 2, and Scope 3 for the achievement period 1st July 2022 to 30th June 2023 is 1,494.13 tCO2e.

Year on year comparison

	FY22	FY23
Scope 1	52.103	43
Scope 2	67.495	49
Scope 3	2502.473	1,404
Total	2622.07	1,496

Section 5: Carbon Management plan

Virgin Wines are committed to achieving carbon neutrality for scope 1, scope 2, and scope 3 emissions in accordance with PAS 2060 for the period 1st July 2022 to 30th June 2023.

Virgin Wines’ target is to maintain its carbon neutral status as it goes into FY24. We are just shy of our previous target to reduce Scope 1 and Scope 2 emissions by 25%. Having reduced them by 18.4% and 28.7% respectively i.e 24.1% overall. We reduced emissions across all three scopes overall by an impressive 43% and declared 11.8% more wine imports.

Carbon reduction plans

Virgin Wines are committed to maintaining carbon neutrality for scope 1, scope 2, and scope 3 emissions in accordance with PAS 2060 for the period 1st July 2023 to 30th June 2024.

Long-term we plan to shift to a strategic focus on insetting. Generating real change within our own value chain, with the aim to contribute to the carbon reduction of the wine industry as a whole. Virgin Wines also have a target with the SBTi (Science Based Target Initiative) to reduce our Scope 1 and Scope 2 GHG emissions by 42% by 2030 (from a 2021 base year). We also pledged to work on reducing Scope 3 emissions.

In the short-term Virgin Wines target for the next year (FY24) is to reduce emissions across Scope 1 and Scope 2 and Scope 3 in absolute terms by a 2% and to reduce Scope 3 in absolute terms by 4%.

To achieve this, we will:



PAS 2060 Qualifying Explanatory Statement

- Reduce bottle weights. Bottle weight is one the biggest contributors to high carbon emissions for the entire wine industry. We plan to sign up to a collaborative Bottle Weight Accord with the Sustainable Wine Roundtable which should see our Scope 3 emissions reduce significantly. The issue is we haven't previously logged wines we do ship in bottle as wouldn't be feasible for us to offset.
- Continue to ship as much of our range in bulk as possible.
- Make our boxes from 100% recyclable card and look to remove the plastic/foil stents from top of wines.
- Launch internal campaigns to power off lights and electrical equipment when not in use.
- Improve waste management in our Norwich offices to improve recycling rates.
- Continue to encourage hybrid working for our staff, and the continued use of virtual meetings with external partners.
- Continue to review partners and suppliers we work with based on their own sustainability credentials.

Section 6: Carbon offsets

CO2e emissions to be offset

Through the United Nations Carbon Offset Platform, 3,362 tCO2e standard certified offsets were purchased and validated. This totalled the calculated Scope 1, Scope 2, and Scope 3 emissions.

Virgin Wines is committed to retaining carbon neutral status for the next financial year (FY23). Offset schemes will be carefully selected from recognised certification schemes. Going forward the scope of carbon neutrality and offsets purchased will at least match this year's carbon footprint boundary and may possibly extend to include further suppliers with scope 3.

For FY23 we've offset a further 746tCO2e via Highland Carbon.

Supported projects:

Project ID:	1300
Project name:	155 MW Gas based combined cycle power project at Hazira
Project type:	Clean development Mechanism
Location:	India
Serial numbers:	IN51239782531101300 - IN51239787521101300
Retirement date:	16 th September 2022
Volume of credits:	500 tonnes
Retirement registry:	CDM Registry
Project ID:	1300
Project name:	155 MW Gas based combined cycle power project at Hazira
Project type:	Clean development Mechanism
Location:	India
Serial numbers:	IN51239787531101300 - IN51239797521101300
Retirement date:	16 th September 2022
Volume of credits:	1000 tonnes
Retirement registry:	CDM Registry
Project ID:	1300
Project name:	155 MW Gas based combined cycle power project at Hazira
Project type:	Clean development Mechanism



PAS 2060 Qualifying Explanatory Statement

<p>Location: India Serial numbers: IN51239797531101300 - IN51239807521101300 Retirement date: 16th September 2022 Volume of credits: 1000 tonnes Retirement registry: CDM Registry</p>
<p>Project ID: 1300 Project name: 155 MW Gas based combined cycle power project at Hazira Project type: Clean development Mechanism Location: India Serial numbers: IN51239807531101300 - IN51239816141101300 Retirement date: 16th September 2022 Volume of credits: 862 tonnes Retirement registry: CDM Registry</p>
<p>Project ID: 1300 Project name: 155 MW Gas based combined cycle power project at Hazira Project type: Clean development Mechanism Location: India Serial numbers: IN51239807531101300 - IN51239816141101300 Retirement date: 16th September 2022 Volume of credits: 862 tonnes Retirement registry: CDM Registry</p>

<p>Project ID: CDM01168 Project name: Enercon Windfarm Project (Hindustan) Ltd in Rajasthan Project type: Wind Location: India Serial numbers: From: IN-5-170784108-1-1-0-1168 To: IN-5-170784363-1-1-0-1168 Retirement date: Retired 16 November 2023; Vintage 2012 Volume of credits: 256 tonnes Retirement registry: CDM Registry Claims: Carbon neutral for the quantity purchased; PAS2060 compliant</p>
<p>Project ID: CDM04823 Project name: Ba Thuoc 2 Hydropower Project Project type: Hydro Location: Vietnam Serial numbers: 29410950-29411450 Retirement date: Retired 21 November 2023; Vintage 2013 Volume of credits: 500 tonnes Retirement registry: CDM Registry Claims: Carbon neutral for the quantity purchased; PAS2060 compliant</p>
<p>Project ID: 104000000027968 Project name: Corriegarth is the project name on the register. It is referred to as the Project type: Afforestation via the UK Woodland Carbon Code Location: Corriegarth Estate, Inverness, Scotland Serial numbers: TBC. Our UK trading takes place in batches on a monthly basis, and it takes circa two weeks to clear the register. The two-week process will include: a PO issued by HC, an invoice issued by the estate partner, invoice paid by HC, estate to initiate the unit transfer, Woodland Carbon Code to approve transfer, IHS Markit to action transfer, HC to confirm transfer receipt and then the serial numbers will be available</p>



PAS 2060 Qualifying Explanatory Statement

Retirement date:	2047 Vintage, which counts to Net Zero 2050 Claims
Volume of credits:	17 Tonnes of Pending Issuance Units
Retirement registry:	IHS Markit, part of S&P Global
Claims:	Nature positive for biodiversity; ICROA recognised; PAS2060