



PAS 2060 Qualifying Explanatory Statement

First period: 1st July 2023 to 30th June 2024

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 2023 to 30th June 2024.

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 2023 – 30 th June 2024
Subject of PAS 2060 declaration	This declaration applies to the Scope 1, Scope 2 and selected 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	<p>All business and facility operations occurring in the UK (that is our Norwich office, and Preston and Bolton warehouses).</p> <p>The storage, distribution, supply, use and final disposal of all products, and transport of 45.35% of wines procured from overseas vineyards to our warehouses (covering a single supplier, Wine Fusion).</p> <p>Covering all applicable Scopes 1, 2 and 3 categories within the GHG Protocol with the following exclusions and inapplicable areas:</p> <ul style="list-style-type: none"> • • Scope 3, Category 1, excluding purchased

	<p>services that relate to maintenance and repair works on leased premises.</p> <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 (45.35% 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.
<p>Rationale for selection of the subject</p>	<p>For period one 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 45.35% 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>
<p>Type of conformity assessment</p>	<p>Independent third-party verification</p>
<p>Baseline date for PAS 2060 programme</p>	<p>1st July 2023 to 30th June 2024</p>
<p>Scope of emissions footprint under claim</p>	<p>Scope 1, Scope 2, and partial Scope 3</p>

Individual responsible for provision of data demonstrating carbon neutrality	Emily Revell PR, Purpose & Sustainability Manager Virgin Wines
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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 for the period commencing 1st July 2023 to 30th June 2024.

Recorded carbon footprint of the subject during the period stated	1 st July 2023 to 30 th June 2024.
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: 18/10/ 2024	

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 2024 to 30th June 2025.

Section 4: Carbon footprint report

This carbon neutrality verification against the requirements of PAS 2060 is based on Virgin Wines' FY2024 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 FY2024 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 45.35% of Scope 3, category 4 emissions relating to wine importation have been included.

Scope 1 emissions

Scope 1 emissions: 46.656 tCO₂e

Scope 2 emissions

Scope 2 emissions: 44.458 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 (45.35% of FY24 wines) as it is not considered feasible for the full Category 4 emissions to be offset at this time. This has increased significantly (79%) to account for the ISO14068-1 replacing PAS2060 in 2025. We disclosed more categories in our Category 1 which has increased our total Scope 3 by 79.35%. However, if we had not disclosed more, we would've successfully reduced Scope 3 by 10.9%.

Scope 3 emissions: 2516.905 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 2023 to 30th June 2024 is 2,608.02 tCO₂e. Again, this has increased significantly due to more declarations under Category 1.

Year on year comparison

	FY23	FY24
Scope 1	42.704	46.656
Scope 2	48.099	44.458
Scope 3	1403.322	2516.905
Total	1494.13	2,608.02

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 ISO14068-1 for the period 1st July 2024 to 30th June 2025.

Virgin Wines' target is to maintain its carbon neutral status as it goes into FY25. We did meet our target to reduce Scope 1 and Scope 2 emissions by 2%. Together they increased by 0.342%. Separately Scope 1 increased by 9.254% but Scope 2 reduced by 7.569%.

To account for the ISO14068-1 replacing PAS2060 in 2025, we disclosed more categories in our Category 1 which has increased our total Scope 3 by 79.35%. However, if we had not disclosed more, we would've successfully reduced Scope 3 by 10.9%.

As a result of this, we increased emissions across all three scopes by 74.55% but if we hadn't declared more under Category 1, we would've successfully reduced emissions overall by 10.30%.

In category 4, we declared 13% more wine imports but still managed to reduce emissions by 2.98%.

Carbon reduction plans

Virgin Wines are committed to maintaining carbon neutrality for Scope 1, Scope 2, and Scope 3 emissions in accordance with ISO14068-1 for the period 1st July 2024 to 30th June 2025.

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 (FY25) is to reduce emissions across Scope 1 and Scope 2 and Scope 3 in absolute terms by a 1% and to reduce Scope 3 in absolute terms by 2%.

To achieve this, we will:

- Reduce bottle weights. Bottle weight is one the biggest contributors to high carbon emissions for the entire wine industry. Continue to work towards the goal set by the 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, and we are yet to account for the weight of the wines reducing once bottled.
- Review how data collection to improve accuracy, making it easier to track reductions.
- Continue to ship as much of our range in bulk as possible. Similarly to above, the increase in this will increase the amount we're reporting in Category 4 as this currently only records the wines we do bulk ship.
- Switch to 100% electric forklifts.
- Look to review and alter packaging across the business, including removal of plastic/foil stents from the 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, 2609 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 (FY25). 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.

PAS 2060 Qualifying Explanatory Statement

For FY24 we've offset 2,612 tCO2e via Highland Carbon.

Supported projects:

Project ID: Project framework: Project name: Project type: Location: Serial numbers: Retirement date: Volume of credits: Retirement registry:	CDM7400 United Nations Clean - Development Mechanism Ba Thuac 1 Hydropower Plant Hydropower Viet Nam 30663715-30665214 Estimated for 12 10 24 1500 UNFCCC
Project ID: Project framework: Project name: Project type: Location: Serial numbers: Retirement date: Volume of credits: Retirement registry:	CDM05977 United Nations Clean - Development Mechanism Salkit Windfarm Wind Mongolia 1485174-1486282 Estimated for 12 10 24 1109 UNFCCC
Project ID: Project framework: Project name: Project type: Location: Serial numbers: Retirement date: Volume of credits: Retirement registry:	104000000027968 UK Woodland Carbon Code Loch Ness Forest; Registry Name - Corriearth Forestry Scotland, UK Pending (payment received 10 10 24) Estimated for 10 11 24 3 IHS Markit, part of S&P Global