



PAS 2060 Qualifying Explanatory Statement

First period: 1st July 2021 to 30th June 2022



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 2021 to 30th June 2022.

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 2021 – 30 th June 2022
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. During 2021 we delivered more than one million cases of wine to our customers. 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 28% 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:



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	<ul style="list-style-type: none"> • Scope 3, Category 4, Upstream transportation, and distribution – currently limited to Wine Fusion products only (28% of FY22 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 our first 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 28% of Scope 3, category 4 emissions 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 2021</p>
<p>Scope of emissions footprint under claim</p>	<p>Scope 1, Scope 2, and Scope 3</p>
<p>Individual responsible for provision of data demonstrating carbon neutrality</p>	<p>Jessica Anderson Head of Strategic Change and Governance Virgin Wines</p>

Section 2: Declaration of commitment of carbon neutrality



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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 2021 to 30 th June 2022.
Carbon footprint reduction target for period	To be carbon neutral by September 2022, and to cut Scope 1 and Scope 2 emissions by at least 25% by 2023.
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: Jessica Anderson Role: Head of Strategic Change and Governance Date: 16 th September 2022	

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 2022 to 30th June 2023.

Section 4: Carbon footprint report

This carbon neutrality verification against the requirements of PAS 2060 is based on Virgin Wines' FY2022 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 1%.

Calculation methodology, quality, and verification

Reported emissions were calculated from FY2022 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 28% of Scope 3, category 4 emissions have been included.

Scope 1 emissions

Scope 1 emissions: 52.1 tCO₂e

Scope 2 emissions



Scope 2 emissions: 67.5 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 (28% of FY22 wines) as it is not considered feasible for the full Category 4 emissions to be offset at this time.

Scope 3 emissions: 3242.3 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 2021 to 30th June 2022 is 3,362 tCO₂e.

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 2021 to 30th June 2022.

Virgin Wines' target is to be carbon neutral by September 2022.

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 2022 to 30th June 2023.

Virgin Wines' target is to reduce our Scope 1 and Scope 2 carbon emissions in absolute terms by at least 25% in this period.

To achieve this, we will:

- Installing LED lighting throughout our entire Preston warehouse, which is expected to reduce energy consumption by around 50%.
- Expand use of bulk shipping wine and bottling 7 in the UK, as opposed to shipping in bottle. This cuts emissions by around 40%.
- Where we are unable to ship in bulk, we will look to reduce the weight of bottles used to cut our carbon footprint during transport.
- Install a Warehouse Management System within both warehouses which would remove the need to print physical dispatch slips, saving around X tonnes of paper usage a year.
- Look at upgrading the packaging algorithm used within our e-commerce platform to optimise consignment packaging, result in less shipments, and less packaging.
- Taking part in a carbon offsetting program with our printing company, meaning the carbon used in making and transporting the paper is offset each time.
- 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.

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
Location:	India
Serial numbers:	IN51239797531101300 - IN51239807521101300
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
Location:	India
Serial numbers:	IN51239807531101300 - IN51239816141101300
Retirement date:	16 th September 2022
Volume of credits:	862 tonnes
Retirement registry:	CDM Registry