Vp plc Annual Report and Accounts 2025

Delivering value through specialist assets and solutions

We are Vp Group.
Leader in equipment rental.
Expert provider of equipment, people, services and support for specialist projects.

For more than 70 years we have delivered for our customers – safely, efficiently, responsibly – with no short cuts or half measures. They trust us with exceptional requirements where complexity and constraints demand capabilities beyond the ordinary. They rely on our specialist solutions to create and care for projects that allow economies to grow.

We focus on niche sectors, principally in the Infrastructure, Construction, Housebuilding and Energy markets, where our people lead through their knowledge and expertise.

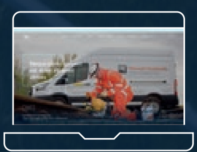
Infrastructure

Construction

Housebuilding

Energy

Visit our corporate website



www.vpplc.com

Scan the QR code

Financial highlights

£380.0m

Group revenue

£36.7m

Adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items[1]

67.3p

Adjusted basic earnings per share[1]

14.2%

Return on average capital employed[1]

39.5p

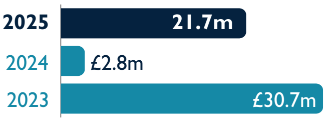
Dividend per share

£138.5m

Net debt excluding lease liabilities

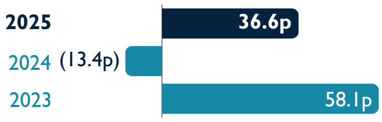
£21.7m

Statutory profit before tax



36.6p

Statutory basic earnings/(loss) per share



1 These measures are explained and reconciled in the Alternative Performance Measures section on page 140.

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Group at a glance

When companies need specialist capabilities for critical projects they turn to us.

We are a reliable partner, ethical, sustainable and good to deal with. We are plain talking and straightforward, keeping our promises and only making claims we can support. Our customers stick and win with us, and our people are committed to building both our business and their own careers.

70+ years
of heritage

83,500+
customers worldwide

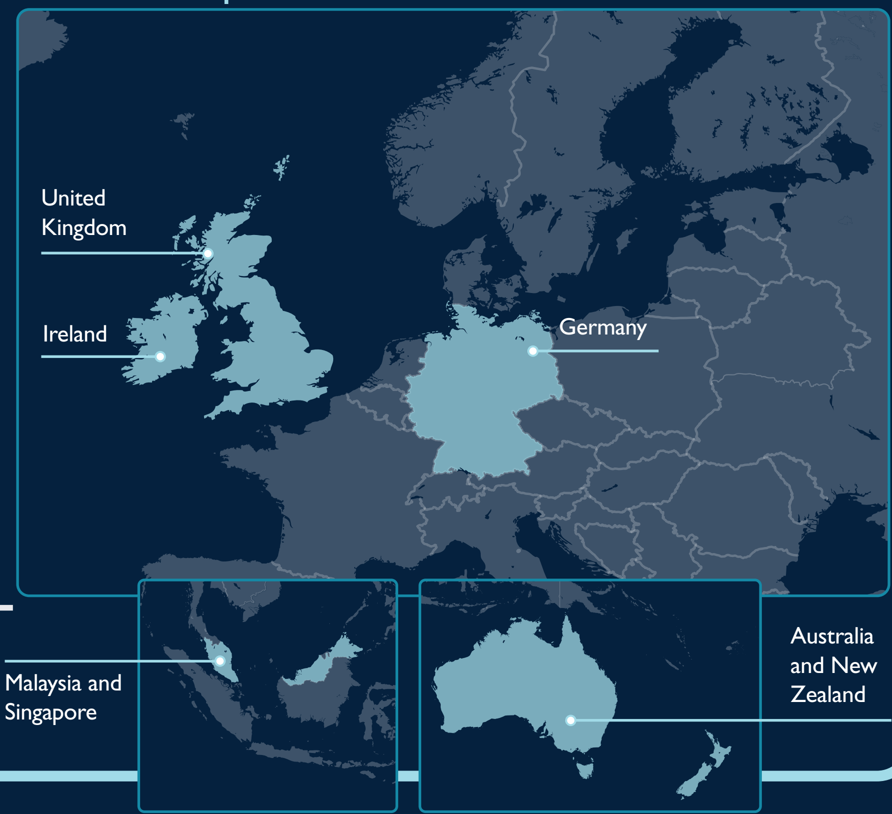
£271.1m
net book value of property plant and equipment

£65.4m
investment in rental assets

2,900+
Employees

200+
Branches

Where we operate



Why customers choose us

01 UK coverage with local leadership

02 Market-leading specialist teams

03 Young, fit-for-purpose hire fleet

04 Industry-leading safety experts

05 Trusted by our customers

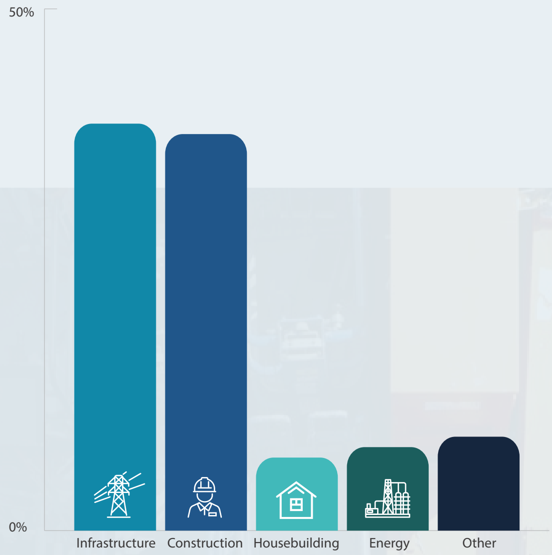
06 Lower carbon solutions

07 Fair pricing

08 Assets, people and innovative solutions

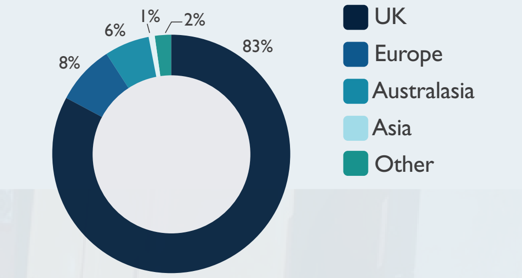
09 Easy access to specialisms

Revenue by market

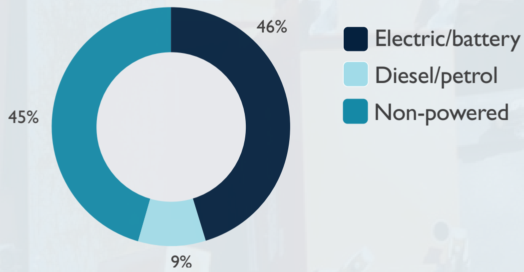


Other includes sectors such as defence, aviation and facilities management

Revenue breakdown by region



Hire fleet power types



Our investment case

Key differentiators

Specialist assets, markets and delivery

- Deep understanding of market and assets drives strong customer loyalty
- High barriers to entry provides resilience
- Less susceptibility to general market trends

Diversity in markets and geography

- Resilience of revenue streams
- Consistency of performance

Exciting growth prospects

- Aligned to markets with significant growth potential and spend programmes
- Geographies with strong growth prospects
- Group-wide collaboration opportunities

Financial profile

Market leading returns

- Target ROACE of 15%
- Strong and consistent margins

Balance sheet strength

- Young, well-maintained fleet
- Disciplined capital allocation
- Cash generative

Progressive dividend

- 30-year+ uninterrupted dividend track record
- Long-term view

Chair's statement

"Our traditional strengths of diverse market exposure and strong financial position will serve us well as we continue to deliver sustainable growth and sector leading returns."

Jeremy Pilkington
Chair

As we celebrate the 70th anniversary of Vp, I find myself inevitably reflecting on our history and the journey travelled to arrive where we are today.

When my father started the Company in 1954, the country was still recovering from the aftermath of WWII. There was, at that time, no motorway network in Britain and many of the iconic structures and buildings that we now take for granted simply didn't exist. Vibratory Roller & Plant Hire (Northern) Limited and its subsequent iterations, Vibroplant and Vp, played an indirect but significant part in the major national infrastructure projects over subsequent decades.

As well as these physical achievements, an equally precious inheritance from this time was the culture that Geoffrey left as an enduring legacy to the business: directness, honesty, fairness and plain talking. These were his watch words and I hope and I believe that he would recognise these characteristics embedded today in the Group's DNA.

The business today is almost unrecognisable from my father's day but still embodies these fundamental principles. Markets change, customers change and we must change with them.

Eighteen months ago, under new leadership, we embarked on the most recent stage of that long journey. We have refreshed our strategy and evolved a Group-wide focus on end markets to make it easier for our customers to do business with us. This will enable us to better access the significant opportunities presented by one-stop-shop bids. The first example of this new approach to market is Vp Rail, giving our rail customers easier access to the full range of Vp specialist expertise.

During the year we developed plans for Vp Rental Solutions (VpRS), a single point of access for customers who interact across a number of Vp divisions and our rehire supply chain. We subsequently launched this in April 2025 and while it is still early days, this looks set to simplify how we serve strategic customers, by building stronger relationships and enhancing the customer experience.

In October, we announced the acquisition of Charleville Hire and Platform Ltd (CPH), an Irish based specialist supplier of powered access equipment. CPH extends our footprint in the Republic of Ireland and provides the base from which we will extend further in this buoyant market.

Results

I am overall pleased to report a resilient set of results for the year, despite ongoing challenges in some of our markets. Infrastructure remains our most important and strongest market, with growing demand from the water and transmission sectors. Oil and gas exploration and development has also performed well. General construction activity is still somewhat subdued impacting the performance of some of our divisions, particularly Brandon Hire Station. Elsewhere, specialist construction has been more robust. The renewed national emphasis on housebuilding is welcomed and gives us more confidence in the future of the UK housing market.

Group revenue increased to £380.0 million (2024: £368.7 million), while adjusted profit decreased to £36.7 million (2024: £39.9 million). The Group's Return on Average Capital Employed remained broadly consistent at 14.2% (2024: 14.5%), while net debt increased to £138.5 million (2024: £125.2 million). Our strong balance sheet puts us in a good position to support continued investment into business opportunities.

People

Always, our people have been our most valuable asset. We rely absolutely on their skills, experience and knowledge to deliver the right solutions to our customers. We are equally cognisant of our overriding responsibility to keep them and our customers safe. As part of our refreshed strategy, we are enhancing our divisional health and safety teams through the implementation of group-wide, streamlined processes.

We continue to take a pragmatic approach to ESG, embracing solutions that are commercially justifiable and add real value to the business.

Board

After over ten years as a Non-Executive Director, Phil White will retire from the Board in June 2025. On behalf of the Board, his colleagues throughout the Group and our investors, I wish to extend a heartfelt thanks to Phil for an outstanding contribution to the management and direction of the Company over this time. Many thanks, Phil.

In February 2025, we welcomed Richard Smith to the Board, an experienced FTSE 100 Chief Executive, formerly with Unite Group. We look forward with enthusiasm to working closely with Richard to bring his skills and experience to bear on the future growth of the Company.

Dividend

The Board is proposing a final dividend of 28.0 pence per share (2024: 27.5 pence per share). Together with the interim dividend of 11.5 pence per share, this equates to a total dividend for the year of 39.5 pence per share (2024: 39.0 pence per share).

The proposed level of dividend is a balance between growth and dividend cover. Whilst acknowledging the temporary reduction in dividend cover, the Board supports modest dividend growth as a reflection of its confidence in the Group's future prospects. Dividend cover is expected to return to two times in the medium term.

Looking forward

We look to the future with measured optimism. Our established strengths in diverse market exposure and financial resilience will continue to benefit us in these turbulent times as we deliver sustainable growth and sector leading returns.

It remains my pleasure and duty to thank my colleagues throughout the Group for their commitment and hard work which has made the results possible.

Jeremy Pilkington
Chair

10 June 2025

Case Study

One-stop-shop for rail customers

With end market focus a key part of our refreshed strategy, in 2024 we launched an integrated rail solution. Customers have direct access to all of the Group's rail specialisms through a one-stop-shop approach which has already been well received.

We have made it easier for our customers to work and transact with us, through a single point of contact for project support, a central hire desk, and a streamlined quotation and invoicing process regardless of the size of the project.

We have a long history of working in rail, but in the past our customers have traded with individual business units. Torrent Trackside was typically the entry point for most customers but other parts of the Group – Groundforce, Brandon Hire Station, TPA, ESS and UK Forks – also have specialist capabilities often used by rail customers. By creating Vp Rail, this has enabled us to offer an integrated package of services from across our divisions, including:

- On track products – small plant, clipping and stress, compaction, lighting solutions, people and support.
- Communications and survey – specialist services, training, safety, survey, test & measurement and communications.
- Shoring and piling support – shoring, piling, pile croppers, stoppers, bridges and training.
- Material handling and lifting – telehandlers, rotos, heavy lift telehandlers, electric machines and teletruks.
- Tools and equipment – ground maintenance, lighting, heating, cooling, breaking and fixing, on site power, site equipment and consumables.
- Rail, vehicle and pedestrian access – rail access, station works, vehicle access, pedestrian and self-install access.

Market review

Infrastructure

What we do

Rail
We specialise in rail services, including major projects, track renewals and maintenance. We provide rail specific plant and tools and we offer operated plant services and maintain a 24/7 operational capability.

Water
We support the construction of pipelines, reservoir enhancements and sewer rehabilitation projects, as well as facility enhancements and treatment plant upgrades. We also provide specialist pipeline solutions and site access via portable roadways.

Transmission
We provide site access to transmission sites via portable roadways, as well as services across survey, test and measurement and groundworks.

Market performance

Rail
In 2024, the UK rail industry underwent significant transformation, marked by the commencement of Control Period 7 (CP7) and Government reform. The start of CP7, in April, marked a £44 billion investment plan focusing on climate change mitigation, performance improvement and support for passengers and freight. Key projects include the TransPennine Route Upgrade and continued development of High-Speed Rail 2. Despite these initiatives, the early stages of CP7 have experienced delays, with the Office of Rail and Road highlighting a £0.4 billion funding gap for England and Wales regions, with impact on core asset maintenance and renewal.

Water
In 2024, the UK's water and utilities sectors experienced notable developments, marked by record investments, financial restructuring and environmental challenges. Water companies in England and Wales announced plans to invest £14.4 billion during 2024 and 2025, the highest annual investment on record. This planned spend aimed to secure future water supplies and reduce sewage discharges into rivers and seas. 2024/25 was the final year in the AMP7 cycle and the upcoming AMP8 cycle represents a substantial increase with £104 billion spend in the five years to 2030.

Transmission
In 2024, the UK's electricity transmission sector witnessed enhanced grid capacity, integrated renewable energy sources and bolstered energy security. This includes projects such as the landmark development of the Eastern Green Link 2 project. Output across electricity specific construction is up 19% year-on-year across 2024, driven by carbon neutrality targets, with investments in new capacity and transmission lines. UK coal generation ceased in September 2024. The German transmission market saw significant investment to continue Germany's plans to expand and upgrade grids. A number of individual utility providers in the country have seen investments increase up to 40% year-on-year, with this trend expected to continue, with an estimated €300 billion spend required by 2045 across the country.

Construction

What we do

General construction
We provide the general construction market with small plant, tools and equipment. Our offering caters to a broad customer base with diverse needs.

Specialist construction
We support specialist construction with a focussed offering. Our services include support for site redevelopments and repurposing with commercial fit out, as well as providing clean equipment for data centres and pharmaceutical facilities.

Market performance

General construction
Private non-residential construction output has declined 2% between 2023 and 2024, with factories, warehousing and retail all trending downwards against the prior year.

The general construction market has also been affected by contractor insolvencies, adding further strain and remains highly affected by increasing material prices, having increased by 35% since 2020, and ongoing labour and skills shortages.

Specialist construction
The pipeline of commercial fit outs of both new office space and refurbishments continues to be strong with double digit growth in 2024, this is especially prevalent in the London region with a number of significant projects ongoing including CitiBank and Google HQ.

Ireland continues to solidify its position as a global hub for pharmaceutical manufacturing, with several significant facility developments underway; these include Eli Lilly investment of $1.8 billion to enhance manufacturing capabilities.

Information source: Experian

Housebuilding

What we do

We provide materials handling solutions, principally telehandlers and also small plant and equipment into residential housebuilding within the UK.

Market performance

Over the past 12 months, the UK housebuilding industry has faced a series of challenges and developments, marked by fluctuating construction activity, policy reforms and ongoing issues such as skills shortages and rising costs. This led to a reduction in net housing for the year 2024, with a 7% decline on the previous year.

Public sector housing initiatives have focussed on the remediation of existing housing stock, particularly with regards to cladding replacement, reducing the number of new dwellings built across the period.

The change in UK Government and subsequent changes in policy have delayed progress in the year, but provide optimism in the wider UK housing market over future years, with ambitious targets and policy reform.

Energy

What we do

We support upstream projects with specialist pipeline services, infrastructure maintenance and well testing. Additionally, we provide support for downstream projects, including industrial shutdowns and confined space monitoring solutions.

Market performance

Global energy demand grew significantly in 2024, due to increased cooling demand, industrial consumption, transportation electrification and a rise in data centres and AI. UK production dropped by 5%, with oil and gas production reaching a record low. Nuclear output was stable and production from wind, solar and hydro increased by 3%.

Geopolitical tensions contributed to market volatility. Countries have shifted their strategy from green energy to future energy security, including reassessing new offshore fossil fuel developments. Investment in energy supply and natural resources will reach record levels in 2025, up 6% in real terms. Capital investment will focus on power and renewables and upstream oil and gas projects.

Information source: Experian

Chief Executive’s statement

“

Our operating model is a delicate balance between agile customer focussed divisions and efficient central operations, improving the customer experience and operating in a cost-effective way.”

Anna Bielby
Chief Executive

I am pleased to report that Vp has delivered a resilient set of results in FY 2024/25, against a mixed market backdrop. Group adjusted profit[1] of £36.7 million represents a strong performance, underpinned by careful capital allocation and a robust balance sheet. The Group’s track record of strong returns continues with a Return on Average Capital Employed of 14.2% (2024: 14.5%), slightly below the target level of 15%. Vp has also made good progress in executing its strategy.

Market summary

The Group operates across four end markets: Infrastructure, Construction, Housebuilding and Energy. These diverse end markets, alongside its specialist focus, underpins Vp’s strong, resilient business model. During FY 2024/25 the Group has experienced differing conditions across these end markets, with opportunity and growth, as well as challenges.

In Infrastructure, water and transmission have been supportive, with good prospects for FY 2025/26 with the new AMP8 water cycle and a number of major transmission projects across the UK and Europe. The new Rail Control Period (CP7) began with lower activity levels, however, rail remains an important part of the Group and Vp Rail was launched during the year to take full advantage of market opportunity across Vp.

Elsewhere, the Group saw a mixed performance in Construction with specialist construction performing well but continued challenges in general construction, where non-residential activity levels remain subdued.

In Vp’s smaller end markets, Energy has been supportive with a good level of project activity, and Housebuilding has been stable albeit at lower levels than expected.

1 These measures are explained and reconciled in the Alternative Performance Measures section on page 140.

Strategy

Delivering growth

The Group continues to progress its strategy of delivering profitable growth, including through acquisition. Organically, as well as investing in capex, opportunity exists for the Group’s specialist divisions to work better together to provide cohesive solutions for customers. In November, the Group launched Vp Rail, a specialist end sector focussed solution giving customers access to the full breadth of Vp’s specialist rail offering. This is Vp’s first true end sector focussed offering, and represents a subtle shift in Vp’s operating model towards Group-wide propositions and solutions for our largest customers. This approach is in response to customer feedback and ensures that Vp is easy to do business with and that the customer is at the heart of the Group’s operations.

The Group’s acquisition of CPH in October 2024 represented good strategic progress and an opportunity, along with the Group’s existing Groundforce business, to capitalise on strong market conditions within the Republic of Ireland. CPH, which is integrating into the Group well, operates in a niche end market, providing specialist solutions to a specific customer base.

Operational excellence

The Group continues to review its operating model, to ensure that Vp is best placed to execute its strategy and drive growth. Fundamental to Vp’s operating model is a delicate balance between agile customer-focussed divisions and efficient central operations improving the customer experience and operating in a cost-effective way.

During the year, Vp has made progress in centralising certain activities and FY 2025/26 will see the launch of Vp Rental Solutions, a Group function which will offer central account management for Vp’s strategic customers alongside centralised Group-wide rehire operations. For strategic customers, Vp

Rental Solutions will allow customers simple access to all of Vp's divisions, alongside the Group's supply chain partners for extended product offerings. By centralising these activities, Vp can leverage its supply chain, while ensuring that the Group works with its customers to provide bespoke solutions and meet complex project demands.

Vp has also introduced central procurement and property functions during FY 2024/25 to take advantage of scale and support better collaborative working between the Group's specialist divisions.

People
People are at the heart of Vp and the Group works hard, supported by its HR team, to be an employer of choice in order to attract and retain exceptional people who can grow their careers and support the Group's customers.

Vp continues to invest in training, developing and rewarding its people. This includes the Group's successful graduate and apprenticeship programmes, with almost 100 placements across the Group. These important schemes support career development and provide the opportunity to grow key roles in a labour market with skills challenges and shortages.

The Group has also made further additions to the senior management team including the leadership of technology, health and safety and sustainability, procurement and property.

This year marked Vp's 70th anniversary and to celebrate this the Group organised a number of initiatives, including anniversary awards, which had peer-nominated categories across a number of areas including wellbeing and ESG. The Group received a high number of colleague nominations, with a fantastic awards ceremony held for the finalists in each category.

A key part of Vp's People Strategy is ensuring that our people, customers and supply chain go home safely and healthily each day. Under new leadership, Vp's Health and Safety Strategy has been refreshed with a focus on leadership engagement, enabling people through education and training, and understanding to effectively mitigate key risk areas.

Digital
The Group is making good progress with its digital roadmap, with a focus on Vp's strategy of growth and operational excellence and making Vp easier to do business with.

The Group expects investment in this area to be relatively modest and key priorities include harmonising Vp's systems (so that the Group's specialist divisions can collaborate better) the introduction of a CPQ tool (to reduce quote wait times for customers, also reducing the administration required in converting a quote to an invoice, minimising error rates, and improving the customer experience), alongside continued data improvements and increased cloud resilience.

ESG
Vp's approach to ESG continues to be pragmatic, taking into consideration its stakeholders and the wider environment. Where possible, Vp engages with its customers and suppliers to help them achieve their own ESG objectives. For example in the Group's TPA division, the use of temporary access panels are often a cheaper solution for the customer and also carry a much lower carbon footprint.

The Group has spent time in the last year developing its Social Strategy, to be delivered in FY 2025/26, focussing on social mobility and social impact.

The Group continues to make progress with its strategy and remains optimistic about future growth opportunities. Despite continued economic uncertainty, Vp has made a solid start to the financial year with strong momentum in Infrastructure and specialist construction. Vp expects performance for the new financial year to be in line with current market expectations.

Anna Bielby
Chief Executive

10 June 2025

Case Study

Strong fit for the Group

In October 2024, Vp acquired a majority interest of Charleville Hire & Platform Ltd (CPH), one of Ireland's leading specialist powered access companies. The acquisition progresses our M&A strategy, providing a platform for growth in the buoyant Republic of Ireland market.

CPH is one of Ireland's leading specialist powered access companies principally servicing the growing pharma, renewables, technology, and food ingredient sectors. The acquisition builds on the Group's specialist capabilities, particularly in the access market and provides complementary specialisms to our existing divisions.

CPH has thirty employees and offers a diverse portfolio of machinery, the majority of which is zero emissions at the point of use. It operates out of a single location in Charleville and has a large number of blue-chip customers.

Operational review

Infrastructure

Infrastructure is the Group's largest end market and an area of significant investment during the year. This end market generally has a greater degree of complexity and solution based offerings and as a result, returns in this area are typically strong.

Rail

In rail, the Group provides people, plant and equipment to support major projects, renewals, maintenance and access. We work closely with Network Rail, alongside key rail contractors.

The launch of Vp Rail in November, provides customers with direct access to the Group's rail capabilities across each of its specialist divisions, whilst providing a single point of contact and centralised offer.

The first year of Network Rail's CP7 has been slower than anticipated, which has led to lower activity levels. Outside of CP7, the Group has supported a number of major projects, including ongoing work around HS2 and The TransPennine Route Upgrade. Other projects include the rail construction elements of major infrastructure works, providing key communication and technology solutions, as well as site access and groundworks.

Water

In water, the Group provides people, plant and equipment to support a number of areas across the industry including groundworks to support pipeline construction, reservoir enhancements and treatment plant upgrades, alongside site access, stopper and pressure testing and specialist survey and testing equipment. Key customers include water companies and their main contractors.

Market conditions in FY 2024/25 have been supportive with a strong final year to Ofwat's Asset Management Period (AMP) 7 and optimism remains for FY 2025/26 due to the increased size and scale of the AMP8 spend programme. The Group has invested capital in this area to take advantage of market opportunity, alongside working with customers to support product innovation.

Transmission

In transmission, the Group provides people, plant and equipment to support site access, groundworks alongside survey, communications solutions and test and measurement equipment. Key customers include major contractors.

The transmission sector across both the UK and Europe has been very strong during FY 2024/25, with a particular positive impact on our divisions providing temporary access solutions. Market opportunity remains strong in relation to the renewal and upgrade of grid infrastructure to support renewable energy sources in both the UK and Germany and we have invested significantly in this area during FY 2024/25.

Outside of the provision of temporary roadway access, FY 2024/25 has seen a good level of activity across our specialist divisions where a full-scale transmission project often requires a number of bolt on provisions, including onsite stores and technicians, training facilities and contingency stock. We remain optimistic around the transmission opportunities in FY 2025/26.

Construction

Construction is the Group's second largest end market, slightly smaller than Infrastructure. During the year, investment has been focussed on specialist construction where a clearer market opportunity exists and where returns have been strongest.

Specialist construction

Our divisions provide specialist assets (examples being highly technical survey and scanning equipment, press fit tools and access equipment) to niche end markets with a particular focus on site redevelopments, commercial fit outs and 'clean rooms' in data centres, food and beverage and pharma.

During FY 2024/25, the Group has enjoyed good market activity levels, which are expected to continue, particularly in London where we have supported a number of major projects including providing CitiBank with a bespoke onsite hire centre, allowing the customer to remain safe, efficient and productive at all times.

Our recent acquisition, CPH operates in the growing pharma, renewables, technology and food ingredient sectors in the Republic of Ireland, where market opportunity is strong and capital investment will support high levels of demand.

General construction

General construction principally relates to the Group's Brandon Hire Station division where we provide small plant, tools and equipment to a broad customer base. This division has the largest physical footprint of all Vp divisions and most employees.

Brandon Hire Station also plays a broader role across the Group, providing certain high-return general assets (non-mechanical plant such as scaffolding towers and fence panels) to the Group's specialist divisions to ensure that we can provide a comprehensive offering to support customers and complex projects. During the year, a recovery plan has been underway to improve performance. This plan has been centred on a more focussed offering to our target customers across a smaller footprint. We have also made changes to control and process with a focus on pricing.

Market conditions in general construction have remained challenging throughout the year and, despite actions taken, Brandon Hire Station has underperformed. The Group continues to monitor the division's performance closely. Further decisive actions will be taken in FY26, to be materially complete by the end of the financial year.

Housebuilding

The Group provides material handling solutions to national UK housebuilders.

During FY 2024/25, the UK housebuilding sector was subdued but stable. The Group's UK Forks business, which operates principally in housebuilding, has taken the opportunity to reduce its physical footprint in order to reduce its cost base, while maintaining service levels to its national customers. This change in operating model provides a greater level of agility to respond to market demand, and we remain encouraged by the UK Government's continued focus in this area.

Energy

Our divisions provide people, plant and equipment to support upstream and downstream projects including infrastructure maintenance, major pipeline projects and industrial shutdowns.

Our assets are typically air compressors and steam generators alongside safety and communications equipment and associated training. Our major customers in this area are generally large oilfield services and petroleum refinery companies.

During FY 2024/25, the energy market was positive with strong demand and a good level of project activity. The Group also benefited from a number of industrial shutdown projects where our specialist divisions have had the opportunity to work closely together to support significant and highly-specialised customer projects.

Business model

We aim to deliver high quality returns to our shareholders and other stakeholders, sustained over the long term while embracing our environmental, social and governance responsibilities.

Delivering value through specialist assets and solutions

We generate value through our rental of equipment, underpinned by our specialist expertise in tailored solutions, providing people, services and support on specialist projects. Our reliable, well maintained fleet is available to a diverse customer base across the UK and internationally. From precision hand-held tools to large-scale machinery, we make it easy for customers to access the right equipment for any task, no matter the size or complexity.

Our stakeholders

Colleagues

Supporting and developing our people

Customers

Helping customers achieve their goals, reduce capital expenditure and achieve their ESG aims and targets

Supply Chain

Sustainable supply chain and long-term relationships with our suppliers

Investors

Delivering sustainable returns for our shareholders

Communities

Invest in, foster and engage with the communities where we operate

Our operating model

End markets

- **Infrastructure**: Rail • Water, Transmission, Other
- **Construction**: General, Specialist
- **Housebuilding**
- **Energy**

Customer

Groupwide approach: End sector specialists • Major customers • Rehire activities • Simple access to all of Vp

Groundforce | TPA | Torrent Trackside | Brandon Hire Station | MEP Hire | CPH | UK Forks | ESS | Airpac Rentals | Tech Rentals

Efficient support functions – using technology to drive simplicity, consistency and scale

Our strategy

Making Vp more straightforward and greater than the sum of its parts

Delivering growth

- Organic growth, with capex focussed on supportive end markets
- Vp Group-wide opportunities – customers and end markets (e.g. Vp Rail)

Driving operational excellence

- More consistency and less complexity in how we work
- Drive value through scale
- Efficient central functions and agile customer-centric divisions

People

- A unique mix of rich heritage, new leadership and fresh ideas
- Engaged and fairly rewarded people who grow their careers with us
- A safety-first culture where our people go home safely everyday

Digital

- Simplified/harmonised systems and processes to better unlock Group-wide opportunities
- Easier to do business with
- Modest investment, building on current capability

ESG focus

- Enabling sustainable growth
- Circular business model
- Resource efficiency
- Positive societal impact

Key performance indicators (KPIs)

Financial and performance KPIs

We measure business performance through a range of KPIs, which help us track progress against our strategic priorities outlined on page 13.

Group revenue

Definition
Group revenue from the hire of equipment and the provision of goods and services to third-party customers during the year.

Adjusted EBITDA

Definition
Operating profit less amortisation, impairment of intangible assets and exceptional items and depreciation (excluding depreciation of right of use assets).

ROACE

Definition
Return on average capital employed (ROACE) is based on adjusted operating profit before amortisation, impairment of intangible assets and exceptional items, divided by average capital employed on a monthly basis using the management accounts.

Investment in rental fleet

Definition
Rental equipment purchased during the year to generate revenue through customer hire.

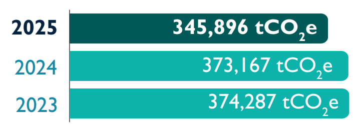
Non-financial KPIs

We use a set of non-financial KPIs to monitor our progress in specific areas and ensure alignment with our strategic objectives.

Accident frequency rate

Definition and commentary
The accident frequency rate is a measure of accidents relative to the number of hours worked. It is calculated by dividing the number of reportable accidents by the number of hours worked multiplied by 100,000 hours.

Total Group carbon emissions market-based



Definition and commentary
The data shows the Group's total carbon emissions since reporting commenced in 2023.

Case Study

Strong temporary roads for energy transition project

As part of the implementation of the energy transition in Germany, we are laying temporary roads so contractors can upgrade overhead powerlines.

Our temporary access business, TPA, is laying steel road plates which provide safe access to the site between Metternich and Niederstedem in South West Germany.

This involves working with the transmission system operator, Amprion, where they are replacing a 220 kV overhead line with a more powerful 380 kV extra-high-voltage line.

Our solutions are providing load-bearing paths for heavy goods transport moving replacement masts, conductor cables and equipment. The steel plates are robust but easily moved without causing damage to the terrain, including across remote and agricultural land and in areas which are ecologically sensitive.

This four-year project is due to run until 2027.

Case Study

Smart design thinking on a complex site

Groundforce is providing ground support on a complex mains water diversion project in the Midlands, working with contractor J Murphy & Sons for Severn Trent Water. The Lavender Hall Farm project involves the rerouting of a strategic water main under a new railway line which is currently under construction.

Murphy is installing more than one hundred metres of concrete sleeves in an open trench under a railway line which will facilitate future maintenance and removal without disrupting railway operations. This involves eight different designs which overlap to allow the installation of the pipework and under-track crossing chamber. We have been involved since an early stage in the design process to help find solutions.

A major challenge was the poor ground conditions at the site, with landfill over bedrock and the uncertain location of underground services, including the existing water main. Instead of pre-driving sheets to full depth, we proposed using a 'dig-and-drive' method whereby sheets are driven a short distance into the ground which is then excavated in stages to allow the identification of buried obstacles before the sheet piles encounter them.

Murphy employed a side-grip excavator-mounted vibrating piling hammer to install the sheet piles and we supported with on-site training for the excavator operators on the new device.

Trench support is provided by rolling strut trench boxes, avoiding the need to install steel sheet piles along the full length of the excavation. As work progresses along the route of the pipeline, Murphy backfills the trench as it goes, removing each trench box in turn from the rear of the excavation and re-installing it at the forward end.

Using hydraulic struts to support the UTX chamber, excavation facilitates construction of a concrete chamber which will house valves and washout equipment for Severn Trent Water to maintain the water main. Murphy will soon be ready to excavate the second UTX chamber, with our structural support. The new pipelines will then be reconnected to the existing water main inside another large excavation.

Financial review

"Our strong balance sheet allows for investment in growth opportunities."

Keith Winstanley
Chief Financial Officer

Results

Group revenue increased by 3.1% to £380.0 million (2024: £368.7 million), with adjusted profit[1] decreasing by 8.0% to £36.7 million (2024: £39.9 million). Statutory profit before tax increased from £2.8 million to £21.7 million.

The Return on Average Capital Employed[1] was 14.2% (2024: 14.5%).

Segmental performance

The Group's segmental performance has been restated to reflect the financial information provided to the Group Board. The Group's UK and international segments now reflect operational locations, after previously representing the location of historic management teams.

Revenue generated by the Group's UK segment was £317.6 million (2024 restated: £309.3 million), while adjusted operating profit[1] decreased to £37.4 million (2024 restated: £39.4 million) predominately due to challenging conditions in the general construction market.

Revenue generated by the Group's International segment was £62.3 million (2024 restated: £59.4 million), while adjusted operating profit[1] was broadly flat at £9.6 million (2024 restated: £10.1 million), with the contribution of CPH (see acquisitions below) being offset by performance outside of Europe.

Acquisitions

In October the Group acquired a majority interest in Charleville Hire and Platform Ltd (CPH). The Group acquired 90% of the shares in CPH for an initial cash consideration of €12.1 million with the remaining 10% to be purchased over a three-year period from the acquisition date. Subject to business performance against stretching EBITDA targets, a further maximum deferred and earn-out payment of €21.7 million may be payable across the second and third anniversaries of the deal.

As part of the accounting for the acquisition a gain on bargain purchase of £1.1 million has been recognised, while future deferred and earn-out payments have been treated as post combination remuneration costs (£1.8 million). Both items, alongside acquisition-related costs (£1.0 million) have been classified as exceptional items.

Exceptional items

The Group recorded net exceptional items of £10.9 million (2024: £5.8 million). These items have been reported separately due to their size, nature or irregularity and in order to better understand the underlying performance of the Group.

In addition to those items relating to the CPH acquisition, exceptional items also include £5.4 million of impairment charges against property, plant and equipment and right-of-use assets, as well as £3.8 million restructuring costs.

Impairment charges against property, plant and equipment and right-of-use assets, alongside the impairment of intangible assets (see below), have been recognised against assets held in the Brandon Hire Station cash generating unit (CGU), where challenges in the general construction sector continue to impact performance. These non-cash impairments have been calculated by comparing the carrying value of the CGU against its recoverable amount

Restructuring costs mainly relate to branch closure costs in the Group's Brandon Hire Station and UK Forks divisions.

Amortisation and impairment of intangible assets

Amortisation and impairment of goodwill, trade names and customer relationships of £4.1 million (2024: £31.2 million) includes £3.2 million of amortisation (2024: £3.1 million) and £0.9 million of impairment charges (2024: £28.1 million).

Earnings per share and dividends

Adjusted basic earnings per share[1] was 67.3 pence (2024: 74.8 pence) and 36.6 pence (2024: loss per share of 13.4 pence) on a statutory basis. The weighted average number of shares in issue for the period was 39.5 million.

The Board is recommending a final dividend of 28.0 pence per share. If approved, the full-year dividend would increase to 39.5 pence per share (2024: 39.0 pence per share) with dividend cover of 1.7 times (2024: 1.9 times) based upon adjusted earnings per share.

Finance costs and funding

Net financial expense of £10.3 million (2024: £9.6 million) includes £6.7 million (2024: £6.4 million) of bank finance costs and £3.7 million (2024: £3.3 million) of IFRS 16 lease interest.

The Group has £190.5 million debt capacity (2024: £190.5 million) comprising £93.0 million private placements, a £90.0 million revolving credit facility (RCF), and a £7.5 million net overdraft. The private placement agreements have low fixed interest rates and will expire in January 2027 and November 2028. In November, the RCF was extended for a further year and will now mature in November 2027.

The Board has evaluated the facilities and covenants on the basis of the FY 2025/26 long-term forecasts which have been prepared taking into account the current economic climate, together with severe but plausible downside scenarios. All scenarios retain adequate headroom against borrowing facilities and fall within existing covenants.

This evaluation gives the Directors confidence that the Group has adequate resources to continue in operation over the viability period. Further discussion regarding going concern is set out in the Directors' report on page 74.

Cash flow and net debt

The net cash generated from operating activities in the year was £80.7 million (2024: £89.6 million). The decrease of £8.9 million was primarily due to a small working capital cash outflow following a relatively large working capital cash inflow in the prior year.

Net debt, excluding the impact of IFRS 16 lease liabilities, increased to £138.5 million (2024: £125.2 million) with the inflow from operating activities offset by £41.6 million invested in the Group's rental fleet (net of disposal proceeds), £9.9 million used in the acquisition of CPH, £8.3 million invested in other assets, £15.4 million of dividends paid to the Group's shareholders, £18.0 million of lease principal payments and £4.6 million of income tax paid.

Pensions

The Group operates defined contribution benefit schemes under which contributions are determined as a percentage of employees' earnings.

The Group also has two defined benefit pension schemes, the Vp Pension Scheme and a small section of the Railways Pension Scheme. In November the Trustees of the Vp Pension Scheme entered into a buy-in contract to secure the majority of the benefits provided by the scheme.

The two defined benefit pension schemes have a combined net surplus of £0.9 million (2024: £1.9 million net surplus).

Taxation

The tax charge of £7.3 million (2024: £8.1 million) was 33.5% of profit before tax. The effective rate was higher than the standard rate predominately due to the impact of expenses not allowable for tax purposes. The effective tax rate on adjusted profit before tax was 28.1% (2024: 27.2%).

Keith Winstanley
Chief Financial Officer

10 June 2025

1 These measures are explained and reconciled in the Alternative Performance Measures section on page 140.

Stakeholder engagement

Understanding what is important to our stakeholders is crucial to delivering shared value.

Our section 172 statement

Each Director individually, and the Board collectively, continue to act in a way which promotes the success of the Group for the benefit of all of our stakeholders and they confirm their commitment to comply with section 172 duties.

To support our strategy and to continue to promote the success of the Group, we aim to build strong business relationships and to regularly engage and work with our key stakeholders to understand what matters most to them, how we can meet their interests and the likely impact of Board and management decisions.

To help the Board understand our wider stakeholder relationships and to help inform the Board's decision making and reporting, communication has been improved throughout the year to the Board, between the Board and the Executives and, more widely, throughout the business. This enables the Board to have oversight of the short, medium and long-term impact of key decisions.

During the year the Board and the Executives have engaged across our stakeholder groups including attendance at employee and management conferences, investor engagement opportunities as well as customer, supplier and community events. The Executives and the senior management have also undertaken site visits across the Group to assist a better understanding of the divisions, the employees and the culture.

Set out in the table are our key stakeholder groups and how we interact with these groups. Further details are also available in the ESG section of this report, from page 20.

We believe that engagement with our stakeholders should be a multi-layered process which touches all parts of our business from frontline operations, our workforce, to the Board, its committees and our shareholders. Furthermore, engagement with our customer base and supply chain is an active part of how we do business at a divisional level and, over the course of the year, greater focus has been placed on engaging with both customers and suppliers strategically, for the benefit of the Group. We have also invested more time this year in developing our understanding of the communities in which we work.

Colleagues

Our people are our most valuable asset. Their skills, experience, knowledge and diversity deliver our strategy.

Read more about our colleagues in ESG - page 20

How we engaged

- Board and Executive site visits.
- Recognising colleagues' achievements.
- Evaluation of rewards and benefits.
- Programme of Group-wide communication.
- Introduction of colleague development pathways.

Customers

We work hard to understand our customers evolving needs and support them by offering solutions to meet their requirements.

Read more about our customers in ESG - page 20

How we engaged

- Direct engagement with customers by the CEO and COO.
- Programme of improved engagement with strategic customers.
- Attendance at trade exhibitions to improve visibility of the Vp brand.

Supply chain

Our suppliers are key to ensuring we can deliver the latest solutions to our customers. We aim to work collaboratively with our suppliers to foster strong relationships, better ways of working and improved outcomes.

Read more about our supply chain in ESG - page 20

How we engaged

- Focused and constructive engagement with our supply chain through our Group procurement team.
- Wider and deeper connectivity with our suppliers across divisions, supported by a Group-wide approach.
- Assessing, managing and engaging with our supply chain.

Investors

The views of our shareholders inform our decision-making, and their interests underpin our commitment to operating responsibly.

Read more about investors in ESG - page 20

How we engaged

- Results presentations, meetings, calls, investor roadshows.
- Participation in third party investor conferences.
- Refreshed and updated Group website.

Communities

Across the country, our operations are based in the local communities where our colleagues live, so we are keen to invest in, foster and engage with those communities to help the Group generate social value and community engagement.

Read more about our communities in ESG - page 20

How we engaged

- Facilitation of input by our colleagues into Social Strategy.
- Investment and support of colleague volunteering.
- Board membership of Business in the Community North East (BITC NE) including regular and meaningful communication and information sharing.

Discussions and actions

- Formal and informal discussions to understand opportunities and challenges for colleagues.
- Events, such as our 70th anniversary and apprenticeship awards events, recognising achievement and encouraging interaction.
- Senior leaders' conference.
- Talent retention encouraged through recognition events.

Outcomes

- Listening groups set up with colleague representatives.
- Refreshed online learning rolled out Group-wide.
- Winners and nominees of wellbeing and community awards joined social strategy team, defining the approach to colleagues, communities and communications.
- Programme of direct communications by CEO across employee base.
- Improvements to reward framework and maternity/paternity policy.
- Colleagues encouraged to gain qualifications through the apprenticeship levy.

Discussions and actions

- Survey of top tier customers.
- Quarterly sales conference to coordinate engagement with strategic customers.
- Demonstrating the breadth of our rail capabilities across the Group.
- Programme of communication on projects and product offerings.
- Progress against our M&A strategy providing a platform for growth.

Outcomes

- New business model promoting Group-wide offering.
- Breadth and depth access by customers to Vp specialisms via our focus on end markets.
- Launch of Vp Rail to better support our rail customers across all divisions.
- Acquisition of a majority interest in Charleville Hire and Platform Ltd, one of Ireland's leading powered access companies.
- Improved participation in customer procurement exercises.

Discussions and actions

- New Group Head of Procurement appointed.
- Central procurement team established to meet current needs and future ambitions.
- Creation of a Group procurement working group, with divisional procurement leads and purchasing representatives.
- Renewed focus on controls and processes to deliver compliance with modern slavery obligations.

Outcomes

- Team in place to consolidate and centrally manage indirect spend.
- Supplier Code of Conduct drafted and to be published in 2025.
- Supplier on-boarding and due diligence processes to be standardised.
- Improved supplier management systems.
- Sustainability built into all procurement policies and procedures.

Discussions and actions

- Development and communication of refreshed strategy.
- Improved Group website with more information to help investors gain insight into the Group and its operations.

Outcomes

- Refreshed, transparent, qualitative and regular messaging.
- Improvements to investor relations through better communication and access to Executive Directors.
- Aspiration to deliver a broader, deeper, clearer understanding across our investors of Group strategy and operations.

Discussions and actions

- Improved understanding of community needs and challenges.
- Group-wide support and encouragement for colleague volunteering.
- Increased charitable work through team working events.

Outcomes

- Social Strategy engagement, including on terms of reference and actions.
- Increased support of colleague volunteering opportunities.
- Supporting the Brathay Trust enables the charity to provide opportunities to more young people.

Environmental, social and governance

Our ESG Strategy at a glance

We recognise that we can only achieve our business ambitions by continuing to operate responsibly, sustainably and ethically. Our robust Environmental, Social and Governance (ESG) Strategy helps us do this, by providing a clear framework and helping us focus on the main outcomes we want to achieve. We focus our efforts in three main areas - People, Planet and Places - identified through engagement with our stakeholders. Our approach also helps our customers achieve their ESG goals.

ESG activity benefits our stakeholders

Colleagues

We aim to empower our colleagues to perform at their best while creating opportunities for them to make meaningful contributions. Our focus remains on what truly matters, ensuring all voices are sought out and heard through continuous engagement.

Customers

Working with customers to provide high-quality equipment while reducing the need to purchase, minimising waste and production for temporary use, and helping customers lower their greenhouse gas emissions.

Supply chain

Collaborating with our supply chain to support, challenge and engage on ESG matters. Supporting our supply chain is integral to our success and the pursuit of shared goals.

Investors

Our ESG activities instil confidence for our investors by ensuring effective risk mitigation, enhancing resilience to evolving market conditions and driving sustainable long-term value.

Communities

We are committed to minimising environmental impacts both locally and globally by addressing the full lifecycle of our operations. Through thoughtful action and engagement, we support initiatives that enhance the environmental wellbeing of the communities we serve, helping to protect the planet for future generations.

Highlights of our ESG journey so far:

- ✔ SBTi validated net zero targets
- ✔ Supply Chain Sustainability School & BITC memberships
- ✔ ISO50001, ISO45001, ISO9001 & ISO14001 accreditation
- ✔ 100% renewable energy in the UK
- ✔ Launch of our carbon literacy programme

Our approach and alignment to UN Sustainable Development Goals

	Objectives	Themes	Ambitions	UN Sustainable Development Goals
People	Investing in our people	• Everyone home safe and healthy • Trust and autonomy • Sustainable supply chain	• Eliminate harm • Continually improve engagement • Reduce attrition	3 Good health and well-being; 5 Gender equality; 8 Decent work and economic growth; 12 Responsible consumption and production
Planet	Safeguarding the environment	• Climate action • Resource efficiency • Circularity	• Reduce carbon emissions • Fleet transition to support our customers • Improve resource efficiency	6 Clean water and sanitation; 7 Affordable and clean energy; 12 Responsible consumption and production; 13 Climate action; 15 Life on land
Places	Making a positive social impact	• Social mobility • Social impact • Nature and biodiversity	• Delivery of our social value plan	10 Reduced inequalities; 15 Life on land

Environmental, social and governance continued

People

Everyone home safe and healthy

Our ambition:
To minimise the risk of harm to our workforce, customers and wider stakeholders.

Context:
We and our stakeholders operate in a variety of environments that present a number of risks. Proper management of these risks and associated hazards is crucial to prevent illness, injury, or loss of life. Maintaining a strong focus on eliminating potential harm is essential.

How is this being delivered?

- **Robust risk management:** We implement comprehensive frameworks to identify, assess and mitigate key risks, ensuring business continuity, protecting people and assets and supporting informed decision-making.
- **Proactive leadership and continuous improvement:** Our leadership drives agility and innovation by anticipating challenges and fostering a culture of ongoing improvement and strategic change.
- **High safety standards:** We uphold strict safety protocols for our hire fleet through regular inspections, maintenance and training to meet or exceed industry and regulatory standards.
- **Learning from experience:** We embed lessons from incidents and feedback into our systems to prevent recurrence and strengthen operational effectiveness.
- **Clarity and consistency:** We promote transparency and consistency in communication, service and decision-making to build stakeholder trust and reinforce our values-driven culture.
- **Diverse thinking and stakeholder engagement:** We embrace diverse perspectives and inclusive dialogue across our value chain to co-create innovative, effective solutions.

Examples of our success

- Launch of a refreshed Health and Safety Plan.
- Third party validation of our arrangements.
- Continually improving health and safety information for our customers.

Employer of choice

Our ambition:
To invest in our people so they can support our customers and grow their careers with us.

Context:
We employ a diverse workforce across the Group. Investing in people means creating opportunities for employees to grow their careers, develop their skills and feel supported in their roles.

How is this being delivered?

- **Apprenticeships and graduate schemes:** We invest in structured apprenticeship and graduate programmes to develop future talent, providing hands-on experience, skills training and professional development. These initiatives help build a strong pipeline of capable individuals to meet evolving business needs.
- **Competitive rewards and benefits:** Our competitive reward and benefits policies support attraction and retention by addressing the diverse needs of our workforce. With fair pay, performance incentives, flexible working arrangements and wellbeing support, we aim to create a positive and supportive work environment.
- **Recognition and career development:** Employee achievements are celebrated through regular recognition events and awards, reinforcing a culture of appreciation. We also offer clear career development pathways grounded in our core Vp behaviours, promoting personal growth and responsible business conduct.
- **Employee engagement:** We are committed to fostering high employee engagement through open communication, regular feedback and development opportunities, creating a workplace where people feel valued, empowered and connected to our purpose.

Examples of our success:

- Raising the volume on engagement through leadership visits and regular all-employee communications.
- 70th anniversary awards, apprentice awards and external divisional recognition awarded for industry excellence.
- Reviewing policies such as those on maternity and paternity.
- A balanced gender pay gap.
- Leadership development programme.

Sustainable supply chain

Our ambition:
Integrating sustainability across our entire supply chain and associated processes, with each step contributing positively to people, planet and places.

Context:
Our supply chain is extensive and integral to our ESG approach, so we must continually consider how to add value in a proportionate way.

How is this being delivered?

- **Technology-driven supply chain visibility:** We continue to invest in upgraded procurement technologies that enhance engagement, visibility and reporting across our supply chain. These tools support better decision-making and strengthen accountability.
- **Cross-divisional collaboration:** A newly-established procurement working group comprising representatives from all Vp divisions has been formed to standardise processes, improve supplier management and drive consistency. This group also plays a key role in educating and upskilling both colleagues and suppliers.

- **Human rights and ethical practices:** We maintain a sustained focus on protecting human rights and eradicating modern slavery within our operations and supply chain. Ethical sourcing remains a non-negotiable standard.
- **Risk identification and mitigation:** Enhanced systems and processes help us identify and mitigate supply chain risks more proactively, reducing potential disruptions and increasing resilience.
- **Values-aligned supplier partnerships:** We foster strong relationships with suppliers who share our values, with a joint focus on innovation, quality and long-term sustainability.

Diversity and inclusion

Through our Social Strategy we are working to build a workforce which fully reflects the diverse nature of the communities in which we operate. While our workforce remains predominantly male, our Executive team is 60% female. To materially change the overall gender split will take time and we continue to focus on ways to encourage women in to our business. The numbers of each sex divided by directors and senior managers are set out in the Corporate Governance section on page 50. Our Equality and Diversity Policy is on our website - **www.vpplc.com/media/e0cjsl4i/53754-vp-group-equality-and-diversity-policy-jan25.pdf**

Gender Split

Male
83%
Total: 2,360

Female
17%
Total: 483

Case Study

Celebrating remarkable achievement

In 2024, Vp celebrated its 70th anniversary. To mark this milestone, we held anniversary awards to celebrate our people's hard work, expertise and dedication, which are truly at the heart of Vp Group.

All employees were invited to nominate colleagues for their standout achievements and daily contributions to the business, to their teammates, and to their local communities.

The award categories were Great Team Player, Leadership Role Model, Wellbeing Ambassador, Outstanding Customer Focus and Environment and Community Champion.

There was an overwhelming response to the call for entries, with more than 400 nominations across the five award categories.

Finalists were invited to a lunchtime awards ceremony to celebrate their achievements and where the winners were announced. This opportunity honoured those whose efforts exemplify our values of being focussed, agile and fair, and show commitment to excellence.

Case Study

Investing in young careers and inspiring change

Vp has an established track record of recruiting apprentices, hiring more than 180 apprentices and graduates in the past ten years.

As part of their learning and development, these colleagues take part in programmes with the Brathay Trust, a charity which supports thousands of young people each year by inspiring growth and positive change.

Through residential training, community programmes and virtual learning services, they build social, emotional and wellbeing skills, learn about teamwork and leadership, and develop resilience. The charity's income from training early career professionals plays a vital role in sustaining residential learning programmes.

Environmental, social and governance continued

Planet

Taking climate action

Our ambition:
Net zero emissions across our own operations and value chain by 2050.

Context:
We are committed to taking meaningful action to transition to a low-carbon business, supporting our customers to do the same.

How is this being delivered?
- **Divisional carbon reduction plans:** Each division has developed tailored transition plans to reduce carbon emissions and improve resource efficiency. These plans include clear actions, timelines and performance metrics, ensuring alignment with our overall sustainability goals.
- **ESG in investment decisions:** ESG is now embedded in our capital expenditure appraisal process, ensuring all major investments are assessed for environmental and social impact alongside financial return.
- **Sustainability in decision-making:** We have integrated ESG principles into strategic and operational decision-making, embedding sustainability into project planning, procurement, and governance.
- **Collaborating across the value chain:** We work with suppliers, customers and stakeholders to drive innovation and adopt circular economy practices reducing waste, extending product lifecycles and promoting reuse.
- **Colleague engagement and education:** We engage and educate our teams on climate change, carbon reporting and circularity through training and awareness initiatives, fostering a culture of sustainability.

Examples of our success
- Repositioning of the ESG Steering Committee.
- Focusing on Group-wide transition to net zero.
- Appointment of divisional sustainability champions.
- Launch of our carbon literacy programme.

Improving resource efficiency

Our ambition:
Optimisation of key resources throughout their lifecycle; achieving net zero carbon emissions by 2050 and halving Scope 1, 2 and key Scope 3 carbon emissions by 2033.

Context:
We aspire to minimise resource consumption, enhance efficiency in resource management, reduce waste and pollution and harness technology to accelerate progress.

How is this being delivered?
- **Enhancing energy efficiency:** We have strengthened our internal processes to better identify and capitalise on energy saving opportunities. In parallel, we are implementing a programme of energy-efficiency upgrades across our estate, aimed at reducing consumption and lowering emissions.
- **Transition to low-emission vehicles:** As part of our broader decarbonisation strategy, we are actively transitioning our fleet to electric vehicles. This move supports our commitment to reducing the environmental impact of our transport operations.
- **Water resource management:** We are taking deliberate steps to reduce water consumption through both process optimisation and the integration of water-efficient technologies. These efforts contribute to more sustainable use of natural resources across our areas of operation.
- **Waste minimisation and material efficiency:** We remain focussed on reducing waste generation by improving segregation practices and decreasing our reliance on raw materials. Our approach promotes circularity and supports our ambition to minimise environmental impact.

Examples of our success
- Integrating rainwater harvesting into our panel wash facilities.
- Commenced installation of LED lighting and PIR sensors in areas with low occupancy.

Circularity

Our ambition:
We strive to extend the useful economic life of our fleet where appropriate, while ensuring it remains well-maintained and of high quality for our customers.

Context:
Building on the inherent circularity of our business model, we encourage, influence and educate our supply chain to adopt circular economy principles.

How this is being delivered?
- **Advancing circular economy practices:** We are embedding circular economy principles across our operations and supply chain, focusing on waste reduction, extended product life cycles and responsible resource use.
- **Empowering teams and suppliers:** We are building knowledge of circularity across our teams and supply chain partners to better deliver sustainable, informed solutions to our customers.
- **Raising supply chain expectations:** We are setting clear sustainability expectations for suppliers, aligning them with our circular economy goals and long-term environmental commitments.

- **Driving innovation and capability:** Through collaboration and knowledge sharing, we promote innovation and help suppliers adopt circular practices and build capability.
- **Product stewardship:** We are working with suppliers to implement 'take-back' schemes for damaged or end-of-life products, supporting responsible disposal and resource recovery.
- **Optimising asset lifecycle:** We are improving maintenance, servicing and repair to extend the useful economic life of our fleet and reduce the need for new resources.

Case Study

JCB trial hydrogen-powered telehandler with Vp and Barratt Redrow

Hydrogen-powered heavy plant, with zero emissions, is a step closer to becoming the go-to solution on many construction sites, thanks to an innovative trial by JCB involving Vp and our customer Barratt Redrow.

We put the JCB Hydrogen Loadall through its paces at a Barratt Redrow site to test performance in a live environment. In doing so, we were able to show that hydrogen-powered vehicles are able to match the performance of their diesel counterparts as well as provide environmental benefits.

During the trial, the machine was constantly employed - unloading bricks and other materials from delivery trucks, emptying skips and lifting materials to trades on scaffolding for our customer Barratt Redrow. This real-life testing was critical for JCB.

As with other hire companies, heavy plant and machinery make up a significant part of Vp's hire fleet and we still rely heavily on fossil fuels to power these vehicles. It is vital as we transition to a low-carbon rental fleet that we fully explore all possible options to decarbonise using new technology and innovations such as hydrogen, which is why we were delighted to support JCB on this initiative.

Our Scope 3 emissions are a significant part of our total emissions - at over 95% - and heavy plant and machinery make up a major proportion of these. Collaborations with our value chain are vital to rigorously test innovations on site to ensure they work in a real environment for our customers.

Since the trial, 11 licensing authorities across Europe have given permission for the JCB hydrogen engine to be sold, including in the UK.

Jennifer Woodhall, Group Sustainability Programme Manager, says: "Our customers are increasingly looking to us for new innovations in sustainable technology. No one business can decarbonise our economy alone, so collaborations like this, between Vp, our supplier and customer, are key to solving our climate challenges."

Case Study

Service centres contribute to a circular economy

Vp's dedicated service, repair and maintenance teams ensure our rental equipment is checked and serviced before every hire.

This achieves a key principle of circularity - to keep products in use at their highest value, for as long as possible. It reduces waste, cost and carbon emissions and improves equipment availability for customers.

This is especially critical at ESS, our specialist provider of precision survey, measurement and safety equipment for end markets including Energy, Construction, Infrastructure, and environmental management. ESS is an accredited service partner of Leica Geosystems, with fully accredited workshops across all regional locations.

Each workshop services and calibrates Leica equipment to exacting standards. As a result, we have reduced inter-depot transfers by 84% and eliminated the need to return Leica equipment to London or Switzerland for servicing, cutting transport costs, downtime and carbon emissions. Achieving and maintaining accreditation requires ongoing investment in people, specialist tools and training, which extends asset life, enhances performance and reduces carbon emissions.

Environmental, social and governance continued

Places

Social mobility

Our ambition:
We aspire to foster social mobility by ensuring equal opportunities for all, creating an inclusive environment where everyone can thrive and reach their full potential.

Context:
We are committed to promoting social mobility by ensuring equal opportunities for all individuals, regardless of their background or circumstances.

How this is being delivered?

- **Refreshed recruitment process:** This focuses on skills, potential and lived experience, removing unnecessary barriers and promoting fairness at every stage. This approach helps attract a more diverse talent pool and supports the creation of a representative workforce.
- **Enhanced training and development programmes:** These offer structured learning through on-the-job training, formal courses, mentorship and leadership development—empowering employees to grow at every stage of their careers.
- **Promote a workplace culture where diversity is respected and valued:** Our Social Strategy supports fair policies and practices that celebrate individual differences and foster inclusion.
- **Clear and accessible career pathways:** These have been introduced to support progression, talent development and internal mobility. These pathways provide employees with transparency and direction, helping them advance with confidence while supporting long-term retention and engagement.

Examples of success

- Created a plan to support local communities through our work with BITC, including initiatives to support people gain employment.

Social impact

Our ambition:
To make long-term, meaningful contributions to society, the environment and the economy by adopting and promoting responsible business practices that drive sustainable growth and positive impact.

Context:
The scope of our operations and the diversity of our value chain offer a strong foundation for making a positive societal impact.

How this is being delivered?

- **Fairness, transparency and accountability:** We are committed to the highest standards of ethics, integrity and governance. This means ensuring fairness, accountability and transparency in all business operations, and treating employees, customers, suppliers and partners with respect. Robust policies help prevent unethical behaviour and support open, responsible decision-making.
- **Supporting colleague wellbeing:** Our people are central to our success. We prioritise their physical, mental and emotional wellbeing through a safe, inclusive and supportive environment. This includes access to wellbeing resources, flexible working and development opportunities that empower individuals to thrive.
- **Community accountability:** We aim to positively impact the communities where we operate. Through volunteering, local employment, charitable partnerships and engagement initiatives, we strive to make a meaningful, lasting difference. Our approach is guided by listening to local needs and delivering long-term social value.

Examples of success

- Donated circa £100,000 to charitable organisations.
- Launched Vp Social Value Group and developed the Social Strategy.

Case Study

Simplifying carbon reporting

Groundforce, our market-leading rental provider of specialist construction solutions, has made it easier to measure the carbon impact of hired equipment and encourage more of our customers to embrace circularity, with the development of a Carbon Calculator tool.

This measures the carbon impact of hired equipment by accurately measuring emissions on a project-by-project basis. It accounts for usage by factoring in utilisation rates and the equipment's useful economic life - often exceeding 10 years. It includes transport emissions, calculated using distance travelled, vehicle type and load size. This level of detail empowers customers to report on emissions with confidence.

Supporting biodiversity and our communities

As we evolve our Nature Strategy, our transition plans, resource efficiency and waste management are enabling us to reduce our impact on nature and biodiversity emergencies. Our support of conservation projects, through direct donation and colleague volunteering, helps enable regeneration in the communities in which we, and our customers, operate.

Our focus includes:

- Continuing to evolve our understanding of our impact on nature and biodiversity.
- Working with our customers to support them in their obligations under Biodiversity Net Gain.
- Improving resource efficiency, waste management and the circularity of our business and supply chain.
- Reviewing the Taskforce on Nature-related Financial Disclosures (TNFD) framework and refining our approach.

This year we supported five restoration and conservation projects – our fourth year of charitable support. Projects were shortlisted which focus on long-term impact, improvement of ecosystems and opportunities for employee involvement. Employees voted for their preferred projects. The chosen projects use high-impact interventions that are actively addressing climate change and biodiversity loss.

The five projects we are supporting in 2025 are:

- Durrell Wildlife Conservation Trust – rewilding peatland and forest, river restoration, breeding and reintroduction.
- Sussex Wildlife Trust kelp recovery – restoration of kelp on the Sussex coast to improve carbon storage, wildlife and coastline protection and water quality.
- Sheffield and Rotherham Wildlife Trust flood management – flood defence and peatland repair to protect communities and habitats for seriously endangered species.
- Lancashire Wildlife Trust peatland restoration – restoring peatland in Sites of Special Scientific Interest and protecting threatened species.
- Lifescape Project Lynx reintroduction – reintroducing the Eurasian Lynx to Scotland and the north of England to manage invasive species and improve biodiversity.

Throughout the year employees volunteered to remove invasive plant species, prevent flood risk and peat damage in Sheffield, and placed used Christmas trees along the Sussex coast to prevent erosion.

The TPA Worksop and Group Sustainability teams volunteered with the

Sheffield and Rotherham Wildlife Trust team to cut down invasive tree species and position them to prevent water run off and downstream flooding and to protect exposed peat.

Environmental, social and governance

Greenhouse gas (GHG) and energy report

Our annual greenhouse gas emissions and energy report is prepared in accordance with the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations for the period 1 April 2024 to 31 March 2025.

We calculate our emissions in accordance with the Greenhouse Gas (GHG) Protocol, ensuring transparency and accuracy and our approach follows the Protocol's Scope 1, Scope 2 and Scope 3 classifications. We report on 11 of the 15 Scope 3 categories. Our report covers all geographies in which we operate, unless otherwise stated, including our acquisition of CPH from October 2024.

		2024–25	2023–24 Restated
UK	Scope 1 (tCO_2e)	**12,305**	13,469
	Scope 2 Location-based (tCO_2e)	**1,654**	1,650
	Scope 2 Market-based (tCO_2e)	**–**	–
	Total Scope 1 & 2 Location-based (tCO_2e)	**13,959**	15,119
	Total Scope 1 & 2 Market-based (tCO_2e)	**12,305**	13,469
	Energy consumption of Scope 1 & 2 (kWh)	**60.0m**	64.9m
Overseas	Scope 1 (tCO_2e)	**2,336**	1,668
	Scope 2 Location-based (tCO_2e)	**221**	209
	Scope 2 Market-based (tCO_2e)	**221**	209
	Total Scope 1 & 2 Location-based (tCO_2e)	**2,557**	1,877
	Total Scope 1 & 2 Market-based (tCO_2e)	**2,557**	1,877
	Energy consumption of Scope 1 & 2 (kWh)	**10.8m**	8.0m
Global	Scope 1 (tCO_2e)	**14,641**	15,137
	Scope 2 Location-based (tCO_2e)	**1,875**	1,859
	Scope 2 Market-based (tCO_2e)	**221**	209
	Total Scope 1 & 2 Location-based (tCO_2e)	**16,516**	16,996
	Total Scope 1 & 2 Market-based (tCO_2e)	**14,862**	15,346
	Energy consumption of Scope 1 & 2 (kWh)	**70.8m**	72.9m
	Intensity Ratio Market-based tCO_2e (Scope 1 + 2) / £1 million revenue	**39**	42
Scope 3	Purchased Goods and Services (tCO_2e)	**68,849**	53,778
	Capital Goods (tCO_2e)	**75,550**	64,897
	Use of Sold Products (tCO_2e)	**78,980**	136,689
	Downstream Leased Assets (tCO_2e)	**92,816**	85,843
	Other Scope 3 Categories (tCO_2e)	**14,839**	16,614
	Total Scope 3 (tCO_2e)	**331,034**	357,821
	Total Group carbon emissions (market-based) (tCO_2e)	**345,896**	373,167

Methodology

The spend-based method has been used where activity data or assumptions were not available.

The following categories are excluded as they do not apply to Vp Group operations or are accounted for in other categories: Upstream Leased Assets, Downstream Transportation and Distribution, Franchises and Investments.

GHG emissions commentary

The Group's carbon emissions have reduced by 7% compared with the previous year, primarily due to a decrease in one of the most material Scope 3 categories in our value chain. This is against a backdrop of a deliberate increase in investment in our rental fleet to support our customers, a slight increase in Group revenue and a 4% growth in employee numbers.

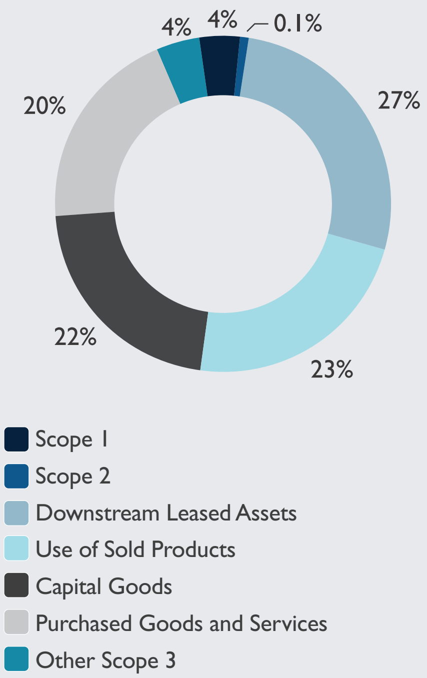
Scope 1 carbon emissions from Group operations have decreased by 3%, driven by estate rationalisation and energy efficiency measures.

The Group purchases electricity from renewable sources across UK operations. We have seen an increase in our Scope 2 (market-based) carbon emissions of over 5% following the acquisition of CPH Ireland in October 2024 and growth in our overseas operations.

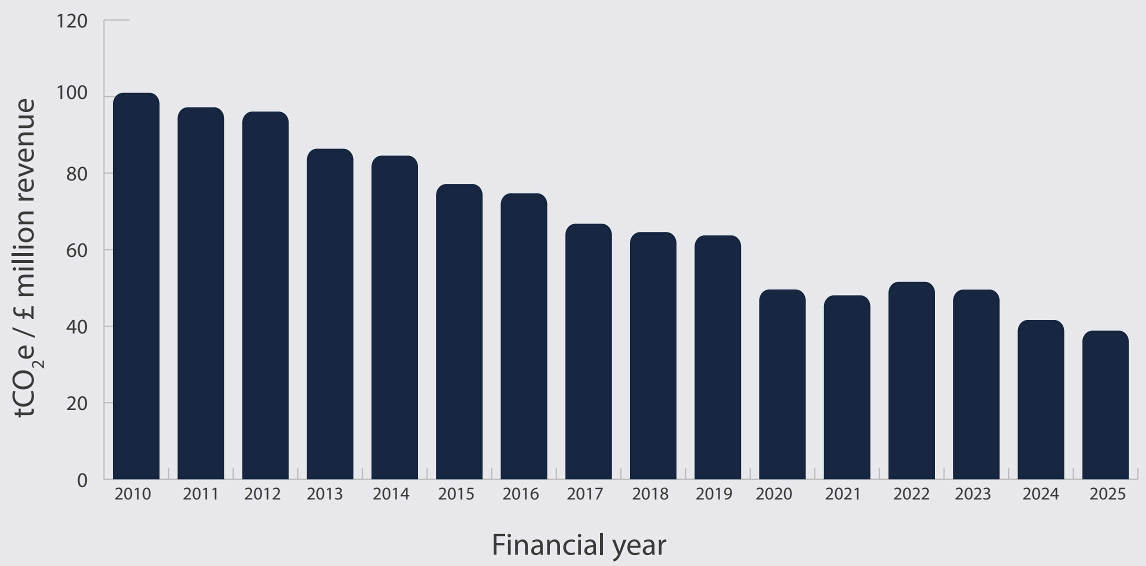
Scope 3 total carbon emissions have decreased 7.5% in year. We have had an increase in investment in our rental fleet and associated equipment to support the infrastructure market. Much of this equipment is part of our vast non-powered fleet, which has zero emissions at the point of use. This has resulted in Category 1 – Purchased Goods and Services and Category 2 – Capital Goods increasing 28% and 16% respectively.

Category 11 – Use of Sold Products decreased significantly, 42%, this year. This reflects our work to extend the useful economic life of our fleet where appropriate, while ensuring it remains well-maintained and of high quality for our customers. It also reflects the reduced requirements for the purchase of new equipment as specified by customers.

Global GHG emissions by scope



Global energy intensity (Scope 1 + 2)



Environmental, social and governance

Energy efficiency report

The total energy consumption for the Group for the period 1 April 2024 to 31 March 2025 is 70.8 million kWh. The highest energy usage is diesel fuel, used to operate our delivery and operational fleet. The percentage of energy usage attributed to our UK operation is 88%.

The following energy consumption data was used to calculate our emissions. Figures are based on our UK operations only.

Scope 1 emissions tonnes of CO_2e	12,305
Scope 2 emissions tonnes of CO_2e (market-based)	0*
Emissions from gas tonnes of CO_2e (Scope 1)	346
Emissions from fuel for transport tonnes of CO_2e (Scope 1)	11,619
Emissions from electricity (location-based) tonnes of CO_2e (Scope 2)	1,654
Total UK energy consumption in kWh	60m

(*Vp's UK operations use 100% REGO certificates.)

Methodology

1 DEFRA conversion factors were used to convert to kWh from other units.
2 Energy data is gathered from energy supplier consumption data.

Energy efficiency measures

During the year, the following measures were undertaken to reduce or optimise energy consumption:

- Programme of upgrading old and inefficient gas boilers with modern, condenser boilers.
- Ongoing replacement of lighting to LED with PIR sensors for low traffic areas.
- Introduction of driver efficiency software in our largest fleet.
- Completion of transition to electric forklifts in one division.
- Continuing the transition of our company car fleet – 93% low emission, up from 84% last year.

ISO 50001

Vp Group holds ISO 50001:2018 accreditation which helps identify areas of opportunity to reduce energy consumption and improve efficiency. As part of the ISO 50001 audit process, energy efficiency opportunities identified included: the roll-out of energy management training to all staff, utilising route planning software to reduce fuel consumption and continuing to upgrade to energy efficient lighting throughout our estate.

Energy efficiency action plan

In line with our ESOS Phase Three Action Plan and reporting, our energy efficiency action plan for 2025 – 2027 includes:

- Conducting Group-wide energy efficiency training.
- Expanding the roll out of smart meters across the estate.
- Continuing to identify and upgrade gas boilers in depots.
- Continuing to roll out LED lighting and PIR sensors in depots.
- Introducing fleet efficiency software via a phased approach.
- Introducing driver efficiency training.

Waste management report

Vp's UK operations generated 1,189 tonnes of waste this year, with over 95% diverted from landfill and meeting our 2025 target.

Waste was managed as follows: 55% recycled, 36% incinerated, 4% treated as hazardous, and 0.5% processed through anaerobic digestion.

We remain focussed on increasing recycling rates by improving waste data analysis, running targeted campaigns, and embedding circular economy practices across our supply chain.

Climate-related financial disclosures (TCFD)

Equally as important as our objective of safeguarding the environment, is understanding, mitigating and adapting to the impact of climate change on Vp. This will help us to be more resilient to climate-related risks and allow us to explore the opportunities presented by our transition to a more sustainable business.

This climate-related financial disclosures report has been prepared in accordance with the regulations set out under UK Listing Rule 6.6.6.(8). This is our third annual TCFD report and covers the year ended 31 March 2025. We conducted a full assessment of the TCFD framework and supporting guidance documents, including the All Sector guidance in the TCFD Annex. This report is consistent with the TCFD framework, builds on our previous report and provides enhanced detail in each of the four categories and the 11 recommended disclosures set out in the TCFD Recommendations and Recommended Disclosures.

Governance

Board oversight of climate-related risks:

The Board is informed and updated regarding climate-related risks by the Risk Committee, the Group Health, Safety and Sustainability Director and the Head of Internal Audit and Risk, on at least a quarterly basis.

The newly-formed ESG Steering Committee (replacing the Environmental Steering Group) includes all of the Group's Executive Committee. The responsibility for the process of identifying and assessing climate-related risks is owned by the Group Health, Safety and Sustainability Director and managed by the Group Sustainability team. This team works closely with the Head of Internal Audit and Risk, divisional leadership teams and Group and divisional finance to determine the impact and mitigations required to manage the risks. This year, the Board actions relating to climate change were periodic reviews of key changes in climate risks and opportunities in line with our risk management approach. The Board are optional attendees at the quarterly ESG Steering Committee.

The role of the ESG Steering Committee in climate-related risk management:

This year, the Environmental Steering Group was replaced by the ESG Steering Committee. Chaired by the Group Health, Safety and Sustainability Director, this group oversees and guides our strategies and initiatives relating to ESG. It reviews the climate-related risk management process, including how the business identifies, assesses, mitigates and monitors risks. It ensures the process aligns with wider business strategy, sustainable business practices and the risk management framework, to ensure the business' long-term resilience. See the diagram on page 40 reflecting the interaction between the ESG Steering Committee and the Group Board structure.

Management's role in assessing and managing climate-related risk:

Regular communication between the Group Sustainability team and divisional management teams helps assess and manage risks.

- The Group Sustainability team informs divisional managers of potential climate-related risks.
- The Group Sustainability team works with divisional leadership teams and sustainability champions to assess the potential impact of climate-related risks and put mitigations in place to manage these, via divisional transition plans.
- Divisional leadership teams and sustainability champions provide feedback on the impact of the mitigating actions.
- Regular reviews formally monitor and allow reporting on risk management and mitigation.

Strategy

We have assessed the risks and opportunities of climate change and national and international transitions to a net zero economy.

Risks and opportunities have been considered in the following timeframes:

Short term: 1–3 years.

Medium term: 3–10 years.

Long term: 10 years+.

The impact has also been assessed using scenario analysis, using three different scenarios, based upon the five Shared Socioeconomic Pathways (SSPs) developed by the climate research community in coordination with the Intergovernmental Panel on Climate Change (IPCC) and other organisations.

Scenario analysis

In 2024, we undertook scenario analysis to help the Group understand the potential impact of climate-related risks to its business. We used Shared Socioeconomic Pathways (SSPs) for our analysis. SSPs present pathways about future socio-economic development, considering factors such as economic growth, technological development, demographic changes and global cooperation. Our three chosen scenarios inform our risk analysis and planning to mitigate the potential impacts of climate change on our operations up to 2050, when we aim to reach net zero across the Group. By assessing more than one possible future, we aim to better prepare for a range of possible outcomes. We are also using this analysis to shape our Group transition plan.

Climate-related financial disclosures (TCFD) continued

SSP	Description	Justification	Associated temp change
SSP 1 Sustainable development	Driven by a fast-paced commitment to achieving development goals. Consumption is oriented toward lower resources and energy intensity. It includes a peak and decline in population (c. 7 billion in 2100), high income and reduced inequalities, effective land-use regulation, and low-carbon technologies and lifestyles. Relative to other pathways, SSP1 has low challenges to mitigation and low challenges to adaptation.	Requires us to consider the financial risks and opportunities of a relatively fast, orderly, sustainable development transition to a less carbon intensive society. This scenario is likely to initiate sudden change and requires us to enact plans quickly and robustly to maximise efficiency and minimise negative impacts on the business.	1.8°C
SSP 2 Middle-of-the-road development	Social, economic and technological trends do not shift markedly from historical patterns. Medium population growth (c. 9 billion in 2100). Intensity of resource and energy use declines. Challenges to reducing vulnerability to societal and environmental changes remain. Relative to other pathways, SSP2 has medium challenges to mitigation and medium challenges to adaptation.	Describes middle-of-the-road emissions and the continuation of a transition away from fossil fuels. Allows gradual change in the makeup of our fleet and other changes enabling a sustainable transition, both environmentally and financially.	2.7°C
SSP 5 Fossil-fuelled development	The push for economic and social development is coupled with heavy reliance on fossil fuels. Includes a peak and decline in population (c. 7 billion in 2100), high income, reduced inequalities, and free trade. This pathway includes resource-intensive production, consumption and lifestyles. Relative to other pathways, SSP5 has high challenges to mitigation, but low challenges to adaptation.	Requires the business to account for the worst-case scenario of warming and the potential risks and opportunities associated with a resource and energy-intensive society. This scenario is extreme, it pushes us to acknowledge the risks and opportunities posed to the Group under a society prioritising development and fossil fuel dominance.	4.4°C

The following assumptions were used to help inform the scenario analysis and assess the impact of the identified climate-related risks.

1. Regulatory Development – Vp assumes an increasing level of detail will be required by regulation and reporting changes over time.

2. Market Demand – Vp assumes an increasing level of demand for less carbon intensive products from customers and the wider market.

3. Technology – Vp assumes that new lower carbon intensive technology and products will become available, but that the pace of this innovation may not keep pace with customer demand and further, that the price of innovations prior to their market-wide availability and scale will be higher than current options.

4. Geographic discrepancies – Vp assumes that the differing international markets where it operates will not develop at the same pace in terms of regulation, technology, infrastructure and market demand.

Risks

We have identified transition and physical risks to the business, assessed the potential timing of the impact of these risks, the likelihood and severity of the impact and which areas of the business may be affected.

Consideration has been given to financial impacts including revenues, expenditure, assets, capitalisation and financing. Other non-financial risks have been considered including business continuity and health and safety.

This is an iterative process and is regularly reviewed against a backdrop of business plans, corporate landscape and advances in insight.

Transition risks

These risks are related to the business' transition to a more sustainable, low-carbon operation and to keeping pace with the economy-wide transition.

Physical risks.

Physical risks are those which are due to the physical impacts of climate change. These are either acute (sudden extreme weather events) or chronic (effects of longer-term shifts in climate patterns). Vp has considered the physical impacts that may be due to direct damage, operational interruptions, supply chain disruption or availability of resources.

Key: Low Medium High

Transition risks

Risk	Potential impacts	Mitigation or adaption
Policy & legislation: Fail to keep pace with changes in government regulation and/or fall short of customer expectations.		
Quantity and depth of regulation and reporting likely to increase over time. Risk that obligations not met and/or Vp doesn't keep pace with customer, shareholder and other stakeholder expectations on reporting and/or disclosures.	• Fines or judgements. • Limits on access to funding due to negative perceptions. • Additional audit services costs. • Additional carbon taxes. • Reputational damage. • Decreased revenue if customer expectations not met. • Supply chain disruption if key suppliers impacted.	• Quarterly capture of changes to applicable legislation, regulation and standards. • Twice yearly review of regulation and standards by ESG Steering Committee. • Annual updates to the Board by ESG Steering Committee. • Ongoing updates of customer requirements by divisional leadership and bid teams. • Additional specialist advice and/or audit services from credible bodies.
Timeframe SSP 1	Short term / Medium term / Long term	
Timeframe SSP 2	Short term / Medium term / Long term	
Timeframe SSP 5	Short term / Medium term / Long term	
Priority: High	**Applicability:** Group	

Risk	Potential impacts	Mitigation or adaption
Products & technology: Transition to new lower-carbon, lower-emission products and technologies slower than the market.		
Do not transition rental fleet to lower-carbon alternatives as quickly as customers and competitors. Do not embrace lower carbon and zero-emission products and technology. Delayed transition needs to be accelerated within a shorter timeframe to catch up, creating a spike in capital expenditure.	• Reduced revenue - customers favour lower carbon products from competitors. • Increased costs due to early retirement of existing assets. • Reduced revenue due to re-pricing of assets no longer in high demand (rent and sale). • Intense period of increased capex spend to short cut transition to invest in lower emission fleet and infrastructure to support – charging, servicing, maintenance, training. • Negative stakeholder and investor perceptions.	• Detailed transition plans towards lower emission rental fleet in the short to medium term. • Six monthly reviews of divisional transition plans to ensure they keep pace with market. • Group and divisional finance align budgets with transition plans. • Asset, procurement, Group sustainability, major bid and sales teams review market trends and share knowledge. • ESG Steering Committee has six monthly oversight of transition plans.
Timeframe SSP 1	Short term / Medium term / Long term	
Timeframe SSP 2	Short term / Medium term / Long term	
Timeframe SSP 5	Short term / Medium term / Long term	
Priority: High	**Applicability:** Group	

Climate-related financial disclosures (TCFD) continued

Risk	Potential impacts	Mitigation or adaption
Organisational structure and process: Given scale, complexity and geographical spread of Group, the scale of transition could result in not all issues and risks being foreseen or mitigated.		
Size, complexity and geographic spread of operations means a risk that not all businesses will transition as required. Extremely broad and varied product mix and supply base across divisions. Differing regulations across countries where we operate. Pace of transition and levels of required infrastructure and technology vary. Different levels of team, customer and supply base knowledge, capacity and engagement.	• Inability to understand and meet varied regulation and reporting requirements leads to fines, judgements, negative customer and investor sentiment and reduced revenue. • Disparity in technology, innovation and infrastructure means some operations may lag behind, preventing the Group meeting targets. • Differences in knowledge, engagement and culture within teams and suppliers means implementation may be inconsistent, preventing the Group from meeting targets.	• Review local regulations and reporting requirements every six months - ESG Steering Committee oversight. • Specific risks related to technology, product and infrastructure which challenge transition to net zero captured six monthly - ESG Steering Committee oversight. • Bespoke transition plans for non-UK divisions and business operations - ESG Steering Committee oversight.
Timeframe SSP 1	Short term Medium term Long term	
Timeframe SSP 2	Short term Medium term Long term	
Timeframe SSP 5	Short term Medium term Long term	
Priority: High	**Applicability:** Group	

Risk	Potential impacts	Mitigation or adaption
Markets: Volatility of energy and raw material prices and supply caused by climate change and adaptation and mitigation measures.		
Electricity, gas, diesel, petrol and oil prices continue to fluctuate and increase due to policy changes, resource availability and net zero transition pace. Market shifts impact supply and pricing of raw materials, especially those with high-embodied carbon, steel, aluminium and plastic,resulting in higher prices, restricted supply and/or reduced customer demand.	• Increased costs due to rising energy and raw material prices. • Reduced revenue due to lack of price competitiveness. • Reduced revenue due to operational interruptions due to resource scarcity. • Reduced revenue due to lack of availability of lower embodied carbon products. • Operational interruptions as suppliers go out of business due to inability to meet rising costs.	• Transitioning of rental, transport and company car fleets to low or zero emissions. • Improving energy efficiency of buildings. • Supply chain strategy to support transition to lower carbon alternatives. • Implementation of circular economy approach, including reuse of materials, take-back schemes and increased recycled content.
Timeframe SSP 1	Short term Medium term Long term	
Timeframe SSP 2	Short term Medium term Long term	
Timeframe SSP 5	Short term Medium term Long term	
Priority: Medium	**Applicability:** Divisions	

Key: Low | Medium | High

Physical risks

Risk	Potential impacts	Mitigation or adaption
Extreme weather events: Storms, floods, heatwaves, bushfires that damage equipment or premises or interrupt operations.		
Increase in the severity and frequency of extreme weather events that damage premises, equipment or interrupt operations due to supply chain disruption, utility damage that restricts operations (power outage, water contamination). Operational interruptions due to absenteeism from illness, injury, personal belongings damage, or inability to travel to work due to infrastructure issues or caring responsibilities.	• Reduced revenue from operational disruption due to supply chain disruption, equipment damage, facilities damage, delivery interruptions. • Increased capex costs due to replacing damaged equipment, facilities, infrastructure. • Increased insurance premiums, especially in high-risk locations. • Reduced revenue and increased costs due to absenteeism and wellbeing issues. • Increased maintenance and repair costs.	• Review local regulations and reporting requirements every six months - ESG Steering Committee oversight. • Specific risks related to technology, product and infrastructure which challenge transition to net zero transition captured six monthly – ESG Steering Committee oversight. • Bespoke transition plans for non-UK divisions and business operations – ESG Steering Committee oversight.

	Short term	Medium term	Long term
Timeframe SSP 1	Low	Medium	Medium
Timeframe SSP 2	Low	Medium	Medium
Timeframe SSP 5	Low	Medium	High

Priority: High

Applicability: Group (increased likelihood for overseas operations)

Risk	Potential impacts	Mitigation or adaption
Chronic weather changes: Ongoing changes in weather patterns and rising temperatures, rainfall and sea level.		
Ongoing increase in rainfall, temperatures and sea levels could interrupt operations due to supply chain disruption, or inability for equipment to operate at high temperatures or during periods of high rainfall. Operational interruptions from absenteeism due to illness, or inability to work in high temperatures.	• Reduced revenue from operational disruption due to supply chain disruption, equipment or facilities damage. • Increased capex costs to upgrade or replace equipment to better withstand high temperature or rainfall. • Reduced revenue and increased costs due to absenteeism and wellbeing issues.	• Maintain the physical climate risk register, including high-risk areas, properties and review annually. ESG Steering Committee and Board have oversight. • Review customer and supplier contracts to consider provision for weather-related impacts. • Health, safety and wellbeing training for avoiding heat stress and other weather-related health issues.

	Short term	Medium term	Long term
Timeframe SSP 1	Low	Medium	Medium
Timeframe SSP 2	Low	Medium	Medium
Timeframe SSP 5	Low	Medium	High

Priority: High

Applicability: Group (increased likelihood for overseas operations)

Climate-related Financial Disclosures (TCFD) continued

Opportunities:

Vp continues to explore the opportunities which are being, and may be, created due to climate change adaptation and mitigation and the economy-wide transition to low carbon operations. We have considered key areas such as resource efficiency, products and services, and markets and sectors.

These factors may create opportunities within Vp's own operations and/or those of its customers and supply chain. These opportunities have the potential to enhance revenues, generate new customers, provide new products, services or sectors, reduce costs, enhance Vp's reputation and create competitive value and advantage.

Opportunity	Potential benefits			Promotion or optimisation
Resource efficiency: More efficient resource use and increased use of renewable energy, reducing costs and increasing competitiveness.				
• Use of renewable energy for all operations. • Increased energy efficiency of buildings. • Increased use of recycling. • Reduced water consumption and increased rainwater usage.	• Increased resilience to energy price and supply fluctuations. • Reduced energy and operating costs. • Increased value of owned buildings. • Improved employee wellbeing and satisfaction. • Increased revenue due to ability to meet customer requirements for resource efficiency.			• Renewable energy contracts for global operations by 2030. • Implementation of energy improvement plans. • Transitioning rental, transport and company car fleet to low/zero emission vehicles. • ESG Steering Committee reviews energy improvement plan annually. Board has annual oversight.
Timeframe SSP 1	Short term	Medium term	Long term	
Timeframe SSP 2	Short term	Medium term	Long term	
Timeframe SSP 5	Short term	Medium term	Long term	
Priority: Medium		**Applicability:** Group		

Key: Low | Medium | High

Opportunity	Potential benefits	Promotion or optimisation
Products & services: Expanding the purchase, use and hire of low and zero emission products and services.		
• Increasing low or zero emission products within the rental fleet. • Utilising lower embodied carbon goods and services. • Encouraging new innovations through the implementation of circular economy principles in the supply chain.	• Increased revenue from existing and new customers requiring low/zero emission rental fleet. • Enhanced reputation and competitive advantage as an innovator. • Reduced costs from implementing circular economy approaches in the supply chain. • Increased resilience to volatile price of, and demand for, energy and finite resources. • Ability to leverage financial instruments only available to greener businesses.	• Implement transition plans to move to low/zero emissions rental fleet and procure more low/zero embodied carbon goods and services. • Implement sustainable procurement plans. • Educate teams and supply chain on circular economy principles, set ambitious targets. • ESG Steering Committee reviews transition plans and progress every six months.

	Short term	Medium term	Long term
Timeframe SSP 1	High	High	High
Timeframe SSP 2	Medium	Medium	Medium
Timeframe SSP 5	Low	Low	Low

Priority: Medium **Applicability:** Group

Opportunity	Potential benefits	Promotion or optimisation
Markets & sectors: Access to new projects, markets and sectors to mitigate climate change and support the transition to net zero.		
• Access to new projects to support the transition to net zero. • Access to new sectors required to support the net zero transition. • Access to new markets requiring significant infrastructure upgrades. • Growth in markets due to climate change mitigation efforts.	• Increased revenue from project, market and sector growth. • Enhanced return on investment of rental fleet due to increased utilisation. • Enhanced reputation and competitive advantage by increasing the share of business focussed on green transition projects.	• Sales and marketing effort to identify new opportunities and position Vp as a suitable partner. • Board oversight of new opportunities. • ESG Steering Committee and Board oversight of new opportunities and progress due to climate-change adaptation/mitigation. • Group sustainability knowledge sharing with sales and marketing on longer-term climate change adaptation and mitigation requirements.

	Short term	Medium term	Long term
Timeframe SSP 1	High	High	High
Timeframe SSP 2	Medium	Medium	Medium
Timeframe SSP 5	Low	Low	Low

Priority: Medium **Applicability:** Group

Climate-related financial disclosures (TCFD) continued

Resilience to climate-related risks

Our business is diverse, operating across different geographical regions and across a wide range of sectors, principally in the Infrastructure, Construction, Housebuilding and Energy markets, providing equipment, people, services and support for specialist projects. We are confident that this diversity, along with our strategy and robust financial planning, gives us a level of resilience to climate-related risks.

Using scenario analysis, see page 31, to inform risk management, we have highlighted that an orderly sustainable development transition would see our customers and competitors, as well as government and regulators, move quickly. This represents the highest level of transition risk to the business. It would put a high amount of pressure on us to invest in equipment, infrastructure and education to progress to a low carbon business as quickly as possible.

However, a slower transition, resulting in higher levels of global warming, presents the highest risk to the business in terms of the likely impact of physical risks.

There is an ongoing need for greater understanding of the impact of these risks on specific areas of the business. The business is working to gain a greater understanding of the potential impact of climate-related risks and opportunities on specific divisional business and transition plans. This will lead to more detailed assessment, understanding and managing of risks.

Risk management

Identifying, assessing and managing risk

Climate-related risks are included on the principal risk register. This is managed by the Risk Committee and reviewed by the Executive Committee and the Board.

Risks are identified and assessed by the risk owners in each division or Group department. The responsibility for the process of identifying and assessing climate-related risks is owned by the Group Health, Safety and Sustainability Director and managed by the Group sustainability team with significant input from divisional leadership teams. The team works closely with the Head of Internal Audit and Risk and divisional leadership teams to determine the impact and mitigations required to manage the risks. This committee reviews climate-related risk management ensuring alignment to the overall risk management process and wider business strategy and long-term resilience and meets once each quarter.

Integration into overall risk management

The process of managing and mitigating climate-related risks is integrated into our overall risk management process. In addition, management of these risks is also integrated within the divisional strategic planning process and transition planning process, due to the complexity and evolving nature of climate-related risk. Other processes which align or support this process for certain risks and mitigations include:

- Policy and legislation risks are managed by the Group sustainability team and reviewed by the ESG Steering Committee, including General Counsel and Company Secretary.
- Energy management-related risk management, action plans and mitigations are managed within the Energy Management Action Plan, as part of ISO 50001 compliance. This is managed by the Group sustainability team with input from divisional operations teams, Group estates and Group procurement.

Managing regulatory requirements

We have identified climate-change related regulation as a key climate-related risk. This is managed by the Group sustainability team. Mitigations include:

- Quarterly review of applicable regulations, updates to standards and horizon-scanning of emerging and future regulations.
- Twice yearly review of applicable and emerging regulations by the ESG Steering Committee.
- The Board is informed of applicable and emerging regulations, as required.

Metrics and targets

Targets

It is essential that we manage climate-related risks using appropriate and robust metrics, comparing progress to actionable targets. This ensures actions are focussed and drive progress which will improve risk mitigation. While these long-term targets are absolute, the journey to achieve them – including action plans and interim targets – must remain agile and under continual review.

Net zero targets, validated by the SBTi

We adopted a science-based targets approach in 2023 and the Group's long-term carbon reduction targets were validated by the Science Based Targets initiative (SBTi) in November 2023. The SBTi is a climate organisation that enables companies to play their part in combating climate change, supporting us to set greenhouse gas reduction targets and timeframes in line with the latest climate science.

Our net zero targets, as validated by the SBTi are:

- Net zero GHG emissions by 2050 from a 2023 base year.
- Reduce absolute Scope 1 GHG emissions by 50% by 2033 from a 2023 base year.
- Reduce absolute Scope 3 GHG emissions by 50% for the most material (highest emissions) categories within the same time frame:
  - purchased goods and services
  - capital goods
  - use of sold products
  - downstream leased assets.

Resource efficiency

Our targets to manage resources more efficiently will help mitigate transition risks. These targets are:

- Increase Group (global) renewable electricity supply from 87% in 2023 to 100% by 2030.
- Reduce energy consumption intensity by 20% from a 2021 baseline.
- Divert more than 95% waste from landfill.

Metrics

We use a variety of metrics to measure our progress to our decarbonisation and efficiency targets, ensure our resilience to climate-related risks and enable us to capitalise on opportunities.

The key metrics used to evaluate our climate-related risk management are:

- GHG emissions
  - Scope 1, 2 and material Scope 3 emissions
  - Intensity of emissions relative to £m of revenue
- Fleet power type
  - Quantity of our fleet that is electric, battery or not powered.
- Resource efficiency
  - Percentage of renewable electricity
  - Energy consumption intensity
  - Waste diverted from landfill.

The following sets out the alignment of the Group's metrics to climate-related risks:

- The total measure of carbon emissions and performance to net zero targets and Vp's carbon emissions intensity metric reflect the impact of the products and technology and organisational structure risks, and the success of our mitigation strategies.
- The percentage of battery (zero emissions at point of use) products metric will measure the impact of the products and technology risk and the success of our mitigation efforts including our transition to a less carbon intensive hire fleet.

Performance against targets from a 2023 baseline

Target/metric (from 2023 baseline, total Group, unless otherwise stated)	Baseline	**FY 2025**	Change
Reduce Scope 1 emissions by 50% by 2033	15,322 tCO_2e	**14,641 tCO_2e**	(-4%)
Reduce absolute Scope 3 emissions (material/largest categories) by 50% by 2033	339,116 tCO_2e	**316,196 tCO_2e**	(-7%)
Reduce energy consumption intensity /£1m revenue by 20% (baseline 2021)	0.2	**0.19**	(-5%)
Increase renewable electricity supply to 100%	87%	**88%**	1%
Intensity of emissions Scope 1 + 2 tCO_2e / £1 million revenue	50	**39**	(-22%)
Divert more than 95% of waste from landfill by 2025 (UK)	N/A	**95%**	
Quantity of rental fleet that is electric, battery, or not powered	N/A	**91%**	

Other key metrics

	FY 2025	FY 2024
Intensity of emissions Scope 1 + 2 tCO_2e /£1 million revenue	**39**	42 (Market-based)
Quantity of our fleet that is electric, battery or not powered	**91%**	N/A
Percentage of Group renewable electricity supply	**88%**	87%
Waste diverted from landfill	**95%**	N/A

Risk management

In an ever-evolving business landscape, strong risk management underlines our core business and our transformational initiatives. We are proud of the practicality, agility and breadth of our risk management framework.

The Board is responsible for overseeing the system of internal control and risk management, determining the appropriate level and nature of risk to support the delivery of the Group's strategy and operational objectives.

The Board has delegated certain responsibilities to the Audit Committee, which oversees the effectiveness of internal controls and risk management. Annually, the Audit Committee conducts a comprehensive assessment, reviewing risk events, key indicators and relevant information.

Process of management

The Group's risk management framework is well-established, ensuring that risks, opportunities and objectives are consistently managed across the business. The process is continuously evolving, with systems in place to proactively identify and assess risks that could impact strategic goals.

A key aspect of this framework is ensuring that risk-related decisions are made at the appropriate management levels, maintaining alignment with the Group's risk appetite set by the Board. Both the Board and the Executive Committee regularly review and refine the risk management framework to ensure its continued effectiveness.

Risk registers

Risk registers are discussed and reviewed regularly. Each register includes a documented action plan to mitigate identified risks, with progress monitored as part of ongoing review. This year, a targeted project was completed to strengthen connectivity between Group-level and business unit-specific risk registers.

Additionally, risk registers are prepared for all major Group initiatives, such as change programmes, investment due diligence (e.g., acquisitions, major fleet investments) and compliance with evolving regulations. These registers track risks, assumptions, issues, dependencies and decisions (RAIDD), ensuring comprehensive visibility, effective decision-making and proactive management of potential challenges throughout the project lifecycle.

Assurance framework

The risk management framework follows the Three Lines of Defence (3LOD) model, fostering accountability through consistent quality processes, compliance audits and internal audit reviews.

As in previous years, the Group internal audit department conducted targeted assurance reviews across all departments. These reviews, based on a risk-based approach, play a critical role in informing the overall risk management process. The Internal Audit Plan also includes provisions to address emerging risks, allowing for proactive responses to changes in the risk environment. In the past financial year, the Group internal audit function has strengthened its audit capabilities by engaging outsourced audit partners to provide assurance on cybersecurity and IT-related controls.

Risk Committee

The Risk Committee is a management committee that provides information to both the Audit Committee and the Executive Committee. Chaired by the Head of Risk & Internal Audit, the committee meets quarterly and includes all members of the Executive Committee and an invitation to attend is extended to Non-Executive Directors.

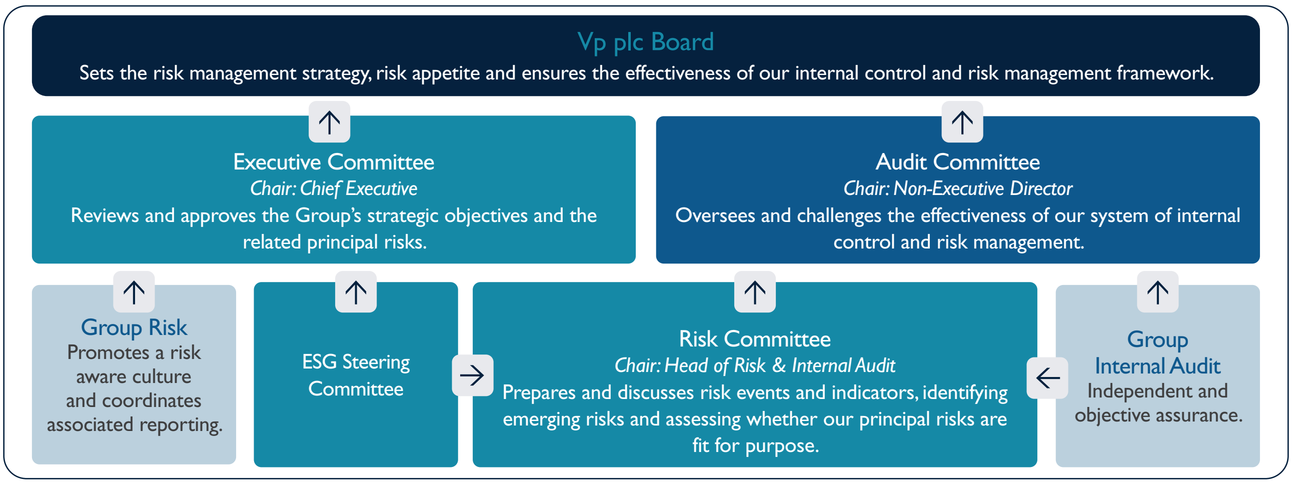
The foundations of our Risk Committee are:

- Defined risk owners for both principal and key risks, responsible for providing regular updates on risk sentiment, mitigations and activities.
- A principal risk reporting pack, alongside minutes, is shared with the Board after each meeting.
- Continuous review of the alignment of principal risks with the Group's strategic objectives.
- Specific consideration of emerging risks and changes in risk levels over the reporting period, ensuring the Group continues to have a risk-aware culture.

Effectiveness of risk management and internal control

The Board considers the current systems of risk management and internal control to be fit for purpose and compliant with the Financial Reporting Council's guidance on Risk Management, Internal Control, and Related Financial and Business Reporting.

As such, the Board has approved the assessment of the effectiveness of internal control and risk management for the year ending March 2025.



Principal risks and emerging risk areas

Risk description	Mitigation	How risk is monitored	Change from the previous year
Technology and IT resilience: Technology enables us to do business efficiently and effectively, from both an external and internal customer perspective. The management of our IT offer is crucial to our future success. Our overall technology and IT resilience risk has increased. This is driven by two key factors: the growing complexity of the cybersecurity threat landscape, and the concurrent delivery of multiple IT projects under our Digital Roadmap, which inherently elevates the overall risk and increases the likelihood of implementation challenges.	• Operational resilience has been strengthened through targeted investment in our IT infrastructure. • Least privilege access and role-based permissions. User access is reviewed for appropriateness and security. • Robust processes to ensure data processing, security and back-up practices are compliant with best practice and UK GDPR. • Vulnerability assessments and close monitoring of potential threats and suspicious activity. • Tested business continuity plans in place and ongoing review of the level of cover. • Employee awareness of potential risk areas continues to be enhanced. • Cyber Essentials and Cyber Essentials Plus achieved and working towards ISO 27001, the international standard to manage information security	• Progress reports on our digital transformation programme are communicated across the business regularly. • Third-party providers are used to provide independent reviews of our cyber security-related controls, considering our threat landscape and emerging trends. • System downtime is monitored closely, alongside other key resilience metrics – including threat trends. • Instances of reported incidents are considered for severity, root cause and corrective actions. • IT general controls are measured against a framework to enhance the reliability, integrity and security of our IT systems thereby mitigating risks related to data integrity, system access and change management.	Increased risk
Market and competition: Economic cycles and headwinds influence our business, and geopolitical and macroeconomic uncertainty impacts the end markets we serve. The equipment rental market is a competitive marketplace and this is constantly evolving from a risk perspective. We reported an increase in the rating of this risk in 2023/24; the Board and Risk Committee have agreed this risk as largely unchanged from the last reporting period.	• Our specialist approach and diversified business model provides some insulation to market and competitive forces. • Market changes are considered by our experienced leadership team, both at Group and divisional levels. • Our balance sheet strength enables agility in the competitive environment we exist in. • A divisional structure facilitates consistency across budgeting, decision-making, risk management, technology and strengthening of our brand.	• We regularly monitor economic conditions, supported by routine analysis of both market and competitor behaviour. • The Board monitors revenue activity and economic trends closely. Key issues are discussed with our divisional teams, and the Board considers Group-level concerns. • Our Executive Committee also regularly considers market changes, opportunities and how best to enhance our customer offering. • Many aspects of our business are linked to the Infrastructure and Construction markets; long-range trends are under regular review. • Revenue is analysed by market segment and Group customer analysis is completed. • Operating reviews of each business unit ensure alignment with Group expectations. These facilitate close management of cost controls and operational expenses.	No change

Decreased risk   Increased risk   No change   Not yet determined

Principal risks and emerging risk areas continued

Risk description	Mitigation	How risk is monitored	Change from the previous year
People and culture: Our ability to attract and retain a skilled and diverse workforce is a key risk, and critical to achieving our strategic objectives. This also encompasses the development and motivation of our people. Effective risk management in this area enables us to exceed customer expectations, enhance shareholder value, and strengthens our position as an employer of choice. We have initiated projects aimed at improving employee engagement, with a focus on reward, workplace culture and development opportunities. Encouragingly, we have observed a reduction in attrition rates across certain operational roles.	• We have many long-serving employees but also recognise the need for new ideas and change in how the Group operates. • We continue to develop a working environment that demonstrates respect and appreciation. • We review reward to ensure parity across the divisions. • We have made enhancements to succession planning, developed our learning and development software, and made improvements to our working environments. • We have focussed on leadership development and further investment in our workforce. • The Chief Executive has updated the Group with regular communications. • The Group fosters an inclusive working environment where all employees are given equal opportunity to fulfil their potential. • A dedicated learning and development team.	• Routine reporting is provided on vacancy levels, employee turnover by role, and sickness, at divisional and at Group levels. • Listening Groups and our first Group-wide employee satisfaction survey in FY 2025/26. • Training hours are monitored through our learning and development systems. • External benchmarking, e.g. gender pay reporting. • Comprehensive review of reward to ensure parity across the divisions and an externally verified approach to remuneration.	→
Fleet management and investment: It is essential we effectively manage our assets throughout their lifecycle, ensuring customer satisfaction, a portfolio of high-quality and innovative equipment, achievement of our ESG commitments and increased financial returns. The Group has a history of accelerating growth through acquisitions, such as the acquisition of CPH in October 2024 which builds on our strategy of maintaining a highly differentiated and specialist customer offering.	• Well-established processes to manage fleet from investment decision, maintenance, depreciation and disposal. • A consistent approach to the appraisal of investment opportunities, demonstrated by our continued healthy return on capital (ROACE). • Structured preventative maintenance programmes increase the reliability and therefore lifespan of our hire fleet. • Enhanced review processes implemented for all major capex investments with active consideration of prior performance to inform future decisions. • Close working with manufacturers to drive changes in line with our quality and ESG targets.	• ROACE is a key measure and the review of this metric drives business decisions. • We monitor equipment utilisation enabling hire fleet procurement and disposal decisions. • The Board receives data on disposal proceeds and margins, to inform the suitability of depreciation rates. • Regular reviews of procurement-related processes, including the resilience of our supply chain. • Data-driven dashboards to monitor and manage fleet performance and health. • Individual investments will be subject to review throughout their lifecycle to inform future investment decisions.	→

↓ Decreased risk ↑ Increased risk → No change ⇔ Not yet determined

Risk description	Mitigation	How risk is monitored	Change from the previous year
Health & safety: The Group operates in environments where health and safety is a key consideration for employees and customers who hire our equipment. Failure in this area could result in illness, injury or loss of life. It could also affect our reputation and result in loss of business, business continuity and/or financial penalties.	• A strong, visible commitment to health and safety at the highest levels. • Launched our health and safety plan with a key focus on enabling and engaging our stakeholders and learning from events. • Robust health and safety management systems supported by our induction and training programmes, with compliance teams in each division and Group-level oversight. • Risk management considers health and safety risks inherent to our operations, considering our equipment and people. • Adherence to the applicable regulations and manufacturer's guidance on maintaining, servicing and certifying our equipment to ensure the highest standards of safety. • Support of our customers in exercising their responsibility to their own workforces when using our equipment. • Increasing leadership engagement activity ensures better connectivity throughout the Group.	• A mature system of internal reporting exists to monitor health and safety-related information, including accident frequency rate and concerning trends. • Revised KPIs both leading and lagging are reviewed at Executive Committee and main Board meetings. • 3LOD assurance models are applied with independent assurance undertaken to validate this approach.	→
Financial: Access to sufficient funding at a reasonable cost is crucial to allow agility in delivery of our business model and overall Group strategy. Though net debt has increased year-on-year following the acquisition of CPH, interest rates continue to reduce from the rates earlier in the financial year. We continue to operate with significant headroom against our finance facilities and well within covenants.	• Capital is allocated using a disciplined capital allocation policy. • A consistent approach to risk management and internal control across Group finance, our shared service centres and divisional finance. • Balance sheet strength and cash generation continue to be key enablers to allow growth to be pursued. • Current and projected gearing levels are continually reviewed to ensure the appropriate balance between risk and opportunity is maintained. • Strong counter-fraud processes to prevent and detect incidents of attempted and actual fraud.	• Daily cash reporting forms the lowest level indicator of our liquidity situation. At a higher level, the Board will consider total facility, headroom and cash generation trends. • Debtor days by division are monitored, and negative trends are addressed with customers. • Proactive engagement with lenders in advance of renewal dates. • Sensitivity analysis and scenario modelling of key metrics (including working capital and debt) is prepared and presented to the Audit Committee. • Clear, timely and consistent financial reporting from the relevant business units for central oversight by the Chief Financial Officer and Board.	→

Principal risks and emerging risk areas continued

Risk description	Mitigation	How risk is monitored	Change from the previous year
Governance and legal/regulatory requirements: Failure to comply with legal, regulatory or contractual obligations could result in financial penalties, fines or loss, regulatory consequences, loss of business and/or reputational damage. A framework for delivering compliance with incoming corporate governance changes, including requirements of Provision 29, must be established over the coming year, but once implemented, this will help the Group manage and mitigate its risks.	• Clear accountability and ownership in respect to Group's governance, legal and regulatory obligations. • General Counsel, alongside Risk Committee, work closely with Group businesses to identify and support response plans to changes in the legal and regulatory environment. • Open communication channels between divisions and Group legal function to encourage dialogue around governance and legal matters. • Mandatory training programmes have been mapped out and are targeted at the appropriate level of employees determined by job role. • The Group has refreshed awareness of its Whistleblowing Policy and process. All whistleblowing reports are thoroughly reviewed.	• Regular updates and training from external advisers. • Our General Counsel/ Company Secretary attends our main Board meetings to deliver and manage an appropriate governance framework. • The Risk Committee provides intelligence to the Audit Committee and Board on current regulatory requirements. • Group policies are reviewed to align with our Group strategy and key risks. • Via our whistleblowing process, we encourage people to 'Tell Us' their concerns. All reports are investigated and escalated where appropriate, by an independent member of the Group.	→
Climate and environment: Understanding, identifying and managing the risks and impacts of climate change across the Group will ensure Vp's resilience. **Transitional risks,** such as keeping pace with accelerating regulation and customer expectations and ensuring a timely transition to a low emission rental fleet, could lead to financial penalties, fines or judgements, loss of business, increased costs and operational disruption. **Physical risks,** such as extreme weather events and ongoing chronic changes to weather patterns, could bring operational, financial and health and safety risks.	• Detailed transition plans at divisional and Group level to drive carbon reduction, fleet transition and resource efficiency. • Implementation of circular economy approach within Vp and its supply chain. • Dedicated sustainability team with refreshed leadership. • Newly formed ESG Steering Committee, replacing the Environmental Steering Group, overseeing ESG strategy, regulation and risk. • Energy consumption and efficiency and environmental impacts such as waste and water management and pollution are managed by divisional compliance teams with oversight from divisional leadership teams and Group sustainability.	• ESG Steering Committee reviews risk management process and provides oversight to the Board. • Divisional leadership teams and Group sustainability consider impacts, develop and deliver mitigations and report on metrics. • Progress towards net zero targets is measured and monitored at Group and divisional level and reviewed by the ESG Steering Committee. • Energy consumption, waste management and other environmental impacts are monitored by divisional compliance teams and Group sustainability with oversight by divisional leadership and the ESG Steering Committee.	→

↓ Decreased risk ↑ Increased risk → No change ⇔ Not yet determined

Viability statement

The Directors have assessed the viability of the Group

In accordance with the UK Corporate Governance Code 2018, the Board has assessed the viability of the Group over the two-year period to 31 March 2027. The Board believes this period to be appropriate as the Group's detailed plan encompasses this period.

Process and scenarios considered

The Group's detailed plan considers the profit and loss, balance sheet, cashflows, debt and other key financial ratios over a two-year forward-looking period. Compliance with existing covenant arrangements and headroom to borrowing facilities are also assessed.

The detailed plan has been subjected to sensitivity analysis in which a number of the main underlying assumptions are adjusted and tested to consider alternative risk-based scenarios. The plan has been stress tested to take into account severe but plausible scenarios.

These scenarios include consideration of market risk arising from the impact of a downturn in economic activity. The modelling is at least as severe as the most recent financial downturn and more severe than the financial year 2020–21 which included two full lockdowns in our major regions.

The Board has considered the availability of the Group's borrowing facilities, which have a range of maturity dates, and assumed that the private placement loan maturing in January 2027 is refinanced during the viability period.

While it is impossible to foresee all risks (or take into account risks which are currently immaterial but could turn out to be significant), mitigating activities could be performed, for example reducing capital expenditure or discretionary spend.

In the most severe scenario modelled, the test indicates that the Group has sufficient headroom in its borrowing facilities and would not breach any of the associated covenants. Details of the Group's financing arrangements can be found in note 16 in the accounts.

Overall assessment

Having assessed the current position of the Group, its prospects and principal risks, and taking into account the assumptions above, the Board has determined that it has a reasonable expectation that the Group is financially sound and stable and, therefore, will be able to continue in operation and meet its liabilities as they fall due over a period of two years from 1 April 2025.

Non-financial & sustainability information statement

This section of our Strategic Report constitutes Vp plc's non-financial and sustainability information. This statement has been prepared to comply with sections 414CA(1) and 414CB(1) of the Companies Act 2006, to provide an understanding of the Group's development, performance and position and the impact of our activities and signposts where in the Annual Report, or on our website, you can find more information.

Reporting requirement	Key policies* / standards	Read more
Anti-corruption and bribery	Anti-bribery and Corruption Policy Competition Law Policy Group Tax Strategy Policy	Visit our website www.vpplc.com
Employee related matters	Health and Safety Policy Equality and Diversity Policy Whistleblowing Policy Training and Development Policy Data Protection Policy Quality Management Policy	Visit our website www.vpplc.com
Social and community	Social Strategy	See page 26
Human rights	Modern Slavery Policy Sustainable Procurement Policy	Visit our website www.vpplc.com
Environmental matters	Energy Management Policy Environmental and Climate Change Policy	Visit our website www.vpplc.com
Business model	Description of Vp's business model	See page 12
Non-financial KPIs	Description of the non-financial key performance indicators relevant to Vp's business	See page 14
Principal risks	Description of the principal risks arising in relation to the Group's operations, and how those principal risks are managed	See page 41
Climate Related Financial Disclosures	TCFD report	See page 31

*Our policies are available on our website www.vpplc.com

Anna Bielby

Chief Executive 10 June 2025