Sureserve

Sureserve

Basis of reporting 2025-2026

1. Introduction

This basis of reporting document details the approach and scope applied to Sureserve's ESG indicators, including Greenhouse Gas emissions (Scope 1, Scope 2, Scope 3 and Scope 4). It is the responsibility of Sureserve's management to ensure that appropriate procedures are in place to prepare the disclosures of ESG indicators, in the annual report and ESG report, in line with the basis of reporting.

Sureserve has committed to Net Zero by 2050, the environmental indicators within this basis of reporting document are used to track progress towards this goal.

1.1 About us

Sureserve is the partner of choice for housing associations and local authorities working to improve their residents housing through management of stock while working towards decarbonisation.

Our portfolio of established and trusted heating, compliance and renewable energy companies enables us to take on and improve stock surveying and maintenance, fabric first retrofitting, and partner on the innovation roadmap to scale decarbonisation in social housing.

1.2 Group structure

Sureserve is a UK-wide specialist provider of integrated property services tailored to housing associations, local authorities, and public-sector clients. Sureserve operates in three key areas compliance, energy services and electrical services through established subsidiaries under the following group structure, recent acquisitions are highlighted with an asterisk (*):

- Sureserve Group Ltd

Compliance

- Sureserve Compliance Holdings Ltd
- Sureserve Compliance Central Ltd
- Sureserve Compliance Fire Ltd
- Sureserve Compliance North Ltd*
- Sureserve Compliance Northwest Ltd
- Sureserve Compliance South Ltd
- Sureserve Compliance Water Ltd
- Swale Heating Ltd*

Energy Services

- Sureserve Energy Holdings Ltd
- Sureserve Energy Services Public Buildings Ltd
- Sureserve Energy Services Meters Ltd
- Sureserve Energy Services North Ltd*
- Sureserve Energy Services UK Ltd
- Hillside-Infinitas Ltd*
- Sureserve Energy Services Wales Ltd*
- Sureserve Energy Services South-West Ltd*

Electrical

- Sureserve Compliance Electrical Holdings Ltd*
- Purdy Contracts Limited*
- Spokemead Maintenance Limited*
- R. Dunham (UK) Limited*
- CLP Group FS Ltd* (Reporting from FY 2026)

1.3 Reporting period and frequency

The 2024/2025 financial year (FY 2025) ran from 1st October 2024 to 30th September 2025. ESG data is reported in line with the financial year monthly, from 1st October 2024 to 30th September 2025.

ESG data has been prepared annually under financial year reporting for all years since FY 2023 when we were acquired by our new owners. We have, and will continue to, report externally on an annual basis.

1.4 Scope of reporting

The ESG indicators cover Sureserve's UK operations. The UK includes England, Wales and Scotland where Sureserve has operations for all measures and references unless otherwise stated. Sureserve is a UK-based organisation, with recent international operations the Netherlands which is not included in present reporting. There are no exclusions, and all operations are included under the operational control approach.

2. Emissions data

Sureserve has been assessing its Scope 1 and 2 carbon footprint and energy consumption since FY 2023 in line with the Streamlined Energy and Carbon Reporting (SECR)[1]. requirements and the GHG Protocol Corporate Accounting and Reporting Standard (2004)[2]. In FY 2025 we expanded our emissions reporting to include Scope 3 emissions across relevant categories in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard[3], and Scope 4 avoided emissions reporting on a voluntary basis. Sureserve accounts for 100% of emissions from operations over which it has operational control, with the authority to introduce and implement its operating policies.

Sureserve, in line with its dedication to environmental sustainability, is committed to a goal of reaching Net Zero emissions by the year 2050. This aligns with the government's own targets. To achieve this, Sureserve has developed a Carbon Reduction Plan (CRP). This plan serves as our comprehensive strategy towards reducing our carbon footprint and has been produced in accordance with the requirements of UK Government's Procurement Policy Note 06/21: Taking account of Carbon Reduction (PPN06/21)[4]. These guidelines ensure a stringent and standardised approach to managing and reducing carbon emissions in an effective and measurable manner.

2.1 Emissions scope

[1] www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

[2] www.ghgprotocol.org/corporate-standard

[3] www.ghgprotocol.org/corporate-value-chain-scope-3-standard

[4] www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts

Sureserve measures environmental performance in accordance with GHG protocol guidelines covering:

- Scope 1: Stationary combustion at all of Sureserve's sites covering natural gas, refrigerant gases and liquid fossil fuels, e.g., fuel oil for generators. Mobile combustion for all company-owned and leased vehicles.
- Scope 2: Emissions from the generation of purchased electricity and electricity used for electric vehicles (EV's).
- Scope 3: Emissions covering the following categories.
    - Category 1 – Purchased goods and services
    - Category 2 – Capital goods
    - Category 3 – Fuel- and energy-related activities
    - Category 4 – Upstream transportation and distribution
    - Category 5 – Waste generated in operations
    - Category 6 – Business travel
    - Category 7 – Employee commuting
    - Category 8 – Upstream leased assets
    - Category 15 – Investments
- Scope 3 Relevance Test: Due to the nature of the business, there are no emissions associated within Scope 3 Categories 9 – 14, although this will continue to be reviewed and included if required. Each Scope 3 emission category has been analysed as per the GHG Protocol Scope 3 value-chain reporting guidance. Non-material category exclusions for FY 2025 emissions:
    - Category 9 - Downstream Transportation and Distribution is excluded from FY 2025 inventory as this is not relevant to our operations. Any movement of goods to customers will occur in our owned or leased vans and therefore will be accounted for in Scope 1.
    - Category 10 - Processing of sold products is excluded from FY 2025 inventory as we do not manufacture products.
    - Category 11 - Use of sold products is excluded from the FY 2025 inventory as we do not sell physical products.
    - Category 12: End-of-life treatment of sold products is excluded from FY 2025 inventory as we do not sell physical products.
    - Category 13: Downstream Leased Assets is excluded from FY 2025 inventory, as we do not own any leased assets that we lease to other businesses.
    - Category 14: Franchises is excluded from FY 2025 inventory, as we do not operate franchises.
- Scope 4: Avoided emissions for clients and residents from the installation of low carbon and energy materials and systems.

Sureserve reports the quantity of GHG emissions in tonnes of carbon dioxide equivalent (tCO_2e) encompassing the seven greenhouse gases covered by the Kyoto Protocol[5]: carbon dioxide (CO_2), methane ($CH4$), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).

2.2 Calculation boundaries

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting

[5] www.unfccc.int/process-and-meetings/the-kyoto-protocol/what-is-the-kyoto-protocol/kyoto-protocol-targets-for-the-first-commitment-period

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Standard[6] states that a company must set its organisational boundaries. This can be done either by an "Equity Share" or "Control" approach. The Equity Share approach reflects a company's economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has.

To fully cover all our operations and subsidiaries, we have selected the Operational Control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which it has operational control.

The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Our emissions are reported in tCO_2e and have been calculated utilising the following formula:

source emissions data x conversion factor* = total source emissions

source unit x (tCO_2e/unit) = tCO_2e

*Conversion factors are primarily derived from the latest UK Government GHG conversion factors for Company Reporting or Watershed CEDA Scope 3 emissions factors.

2.3 Emission factors

Where possible, emissions factors have been sourced from the 2025 UK's Department for Energy Security and Net Zero (DESNZ) publications, which was previously managed by the UK's Department for Business, Energy, and Industrial Strategy (BEIS), formerly the Department for Environment, Food and Rural Affairs (DEFRA). Factors applied change on a calendar year basis, as per DESNZ published guidance[7].

In accordance with the GHG Protocol's Scope 2 guidance, Electricity (location-based) is calculated using the UK average grid factor, sourced from DESNZ 2025 and the global average grid factor, sourced from International Energy Agency (IEA) 2025.

Where only spend data is available, spend-based Watershed CEDA spend-based emission factors 2025[8] have been used. This has been used in several Scope 3 Categories outlined in further detail below.

Scope 4 estimated avoided emissions use a combination of emission factors sourced form the Energy Saving Trust[9] and the UK Government's statistical data sets[10] on housing and communities. Further details are outlined below.

2.4 Improvements to data

In line with the Greenhouse Gas (GHG) Protocol's best practice guidance, Sureserve will recalculate its baseline year when structural changes occur that result in a significant change to our organisational boundary or emissions profile, typically when the change represents more than 5% of total reported emissions.

Changes can include structural changes such as acquisitions, divestures or mergers of

[6] www.ghgprotocol.org/corporate-standard

[7] www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025

[8] www.watershed.com/solutions/ceda

[9] www.energysavingtrust.org.uk

[10] www.gov.uk/government/statistical-data-sets

businesses or facilities. Methodology changes such as updated emission factors, improved data access or updated calculation methods or protocols.

In addition to structural and methodology changes, we will recalculate our emissions for the following:

- Discovery of a significant error, or several cumulative errors.
- Change in our organisational boundary – e.g., if Sureserve changed from using an operational control approach to calculate our emissions to a financial control approach.
- Change in our operational boundary – e.g., the inclusion of an additional type of Scope 3 emission.

If necessary, Sureserve will adjust at the end of each financial year. This is due to the updating emission factors and identifying any changes described above that have occurred in the reporting period which may require us to recalculate our base year, or any other reporting year. We will publicly restate when we report the latest carbon footprint for the previous financial year. If restatement is required, we will follow the GHG Protocol guidance for material misstatement

2.3 Environmental baseline year

Sureserve set a baseline year of FY2023 when we were acquired by our new owners. Since the original baseline year, Sureserve has made various significant acquisitions, outlined in section 1.2, that have significantly increased our operational footprint.

For environmental metrics, in FY 2025 we expanded our emissions reporting to include Scope 3 emissions across relevant categories in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, and Scope 4 avoided emissions reporting on a voluntary basis.

Recent acquisitions represent a material change to our organisational boundary and the completeness of our emissions inventory. Accordingly, we will reset our baseline year to FY2025 which will cover Scope 1, Scope 2, Scope 3, and Scope 4 emissions across all operations under Sureserve's operational control at the end of the financial year. The updated baseline covers our financial year, which is 1st October to 30th September.

The updated baseline for environmental data covers our financial year 2025, which is 1st October 2024 to 30th September 2025.

2.4 Data hierarchy

For certain sites, it is not possible to acquire actual data for all periods concerned. Where this occurs, we gap-fill with appropriate estimates. Subsequently, throughout our Scope 1 and Scope 2 environmental reporting, we adhere to the following hierarchy of data:

1. **Actual data** - Wherever actual data is available; we will include it in calculations.
2. **Pro rata fill** - If raw data are supplied for a time frame longer than a month (and monthly distribution is unknown), then a pro rata estimation for each month within that reporting period is calculated. This estimation is calculated by multiplying the fraction of the month's share of the reporting period's total days (the number of working days) by the activity data for the total reporting period. It is therefore assumed that the level of activity is equal for each network day of the reporting period.

3. **Intensity fill** - If no raw data are supplied for an activity that is known to generate material emissions at a given site, an intensity estimation is required. This estimation is calculated by dividing the total of the activity data for the reporting period - for all sites with raw or estimated data (from above) - by the floor area for those sites. This value is then divided again by the total number of days in the reporting period, to give an average level of activity per area per day. This value is then multiplied by the floor area for the current site and then multiplied again by the number of days in the current month, to give a final estimation.

For FY 2025, 49% of electricity and 49% of natural gas was estimated due to a lack of detailed invoices provided by landlords. The percentage of overall Scope 1 and 2 emissions estimated are 2.3%. Additionally, 83% of Category 7 – Employee commuting are estimated due to limited results of an internal employee survey, an area that we plan to improve in FY 2026. The percentage of Scope 3 emissions estimated are 5%. Overall, across all scopes 4.5% of emissions are estimated.

2.5 Emissions breakdown

Scope 1	
Definition	Scope 1 covers: Emissions resulting from the combustion of fuels in Sureserve's owned/ controlled mobile combustion sources; Emissions resulting from the combustion of fuels in stationary sources for the generation of electricity, heat, steam or cooling at Sureserve's company sites.
Scope	The reporting period is 1st October 2024 to 30th September 2025 Sureserve report emissions arising from activities for which we are responsible. Our reporting scope is against an operational control.
Units	tCO_2e
Method	**Energy Data** Natural Gas consumption data is collected via invoices or meter readings with kWh usage submitted monthly. The tCO_2e are calculated using the DESNZ 2025 emission factors. If no data is available for a site in each period, yet the site is known to still be active within our portfolio, we will use the data hierarchy as above to provide an accurate estimate. **Fleet data** Diesel and petrol measured in litres and vehicle mileage measured in miles are collected by our fleet management system. The tCO_2e are calculated using the DESNZ 2025 emission factors.
Source	Sourced from invoices, meter readings and Sureserve's fleet management system.
Scope 2	
Definition	Scope 2 covers: Emissions resulting from the generation of purchased electricity that is consumed in Sureserve's owned or controlled vehicles, equipment or operations, as calculated by the location-based methodology.
Scope	The reporting period is 1st October 2024 to 30th September 2025 Sureserve report emissions arising from activities for which we are responsible. Our reporting scope is against an operational control.
Units	tCO_2e
Method	**Energy data** Electricity data consumption data is collected via invoices or meter readings with kWh usage submitted monthly. The tCO_2e are calculated using the DESNZ 2025 emission factors. If no data is available for a site in each period, yet the site is known to still be active within our portfolio, we will use the data hierarchy as above to provide an accurate estimate. **Fleet data** Electricity charging, measured in kWh, and vehicle mileage, measured in miles, are

	collected by our fleet management system. The tCO_2e are calculated using the DESNZ 2025 emission factors. **Location Based Reporting** In accordance with the GHG Protocol's Scope 2 guidance, the data is multiplied by the relevant UK emission factor sourced from the DESNZ 2025 emission factors.
Source	Sourced from invoices, meter readings and Sureserve's fleet management system.
Scope 3	
Definition	Scope 3 covers: all other indirect emissions that are not included in Scope 1 and Scope 2. These emissions arise from various activities throughout the supply chain, including: • Category 1 – Purchased goods and services. • Category 2 – Capital goods. • Category 3 – Fuel- and energy-related activities. • Category 4 – Upstream transportation and distribution. • Category 5 – Waste generated in operations. • Category 6 – Business travel. • Category 7 – Employee commuting. • Category 8 – Upstream leased assets. • Category 15 – Investments.
Scope	The reporting period is 1st October 2024 to 30th September 2025 Sureserve report emissions arising from activities for which we are responsible. Our reporting scope is against an operational control.
Units	tCO_2e
Method	**Category 1 – Purchased goods and services.** This category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by Sureserve in the reporting year. Products include both goods (tangible products) and services (intangible products). Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK. **Category 2 – Capital goods** This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by Sureserve in the reporting year. Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK. **Category 3 – Fuel- and energy-related activities** This category includes emissions related to the production of fuels and energy purchased and consumed by Sureserve in the reporting year that are not included in Scope 1 or Scope 2. Well to tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by owned or leased vehicles, employees' vehicles used for commuting, vehicles used for business travel, etc.). Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines). Consumption data is collected via invoices or meter readings with kWh usage submitted monthly. The tCO_2e are calculated using an activity-based methodology and the DESNZ 2025 emission factors. **Category 4 – Upstream transportation and distribution** Transportation and distribution of products purchased in the reporting year, between Sureserve's tier 1 suppliers and our own operations in vehicles not owned or operated by Sureserve. Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK.

	Category 5 – Waste generated in operations Includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater. Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK. **Category 6 – Business travel** This category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK. **Category 7 – Employee commuting** This category includes emissions from the transportation of employees between their homes and our offices and any homeworking. Emissions from employee commuting may arise from car, bus, train, or taxi travel. Calculations have used employee headcount and typical working patterns to calculate the emissions associated with employee commuting and homeworking, where appropriate we have used the average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns. Estimated mileage data is collected via an annual survey. The tCO_2e are calculated using an activity-based methodology and the DESNZ 2025 emission factors. **Category 8 – Upstream leased assets** This category includes emissions from the operation of assets that are leased by Sureserve in the reporting year and not already included in the reporting of our Scope 1 or Scope 2 inventories. Spend data is collected from invoices and financial records. The tCO_2e are calculated using a spend-based methodology with the 2025 Watershed CEDA Scope 3 emission factors for the UK. **Category 15 – Investments** This category includes Scope 3 emissions associated with the reporting Sureserve's investments in the reporting year, not already included in Scope 1 or Scope 2. This is entirely made up of an investment in Warmworks Scotland LLP where we have 33% ownership. Warmworks complete detailed carbon footprint assessments covering Scope 1, 2 and 3 using a mixture of activity- and spend-based reporting. The tCO_2e are proportioned based on Sureserve's ownership.
Scope 4	
Definition	Scope 4 emissions, also referred to as avoided emissions, are indirect greenhouse gas emissions that are prevented or reduced through the use of the products and services delivered by Sureserve such as the installation of heat pumps, solar panels or insulation.
Scope	The reporting period is 1st October 2024 to 30th September 2025 Sureserve report emissions arising from activities for which we are responsible. Our reporting scope is against an operational control.
Units	tCO_2e
Method	**Installation and retrofit services** Completed installation and retrofit service data is collected by each business unit and submitted on an annual basis. For air source heat pumps, ground source heat pumps, hybrid heat pumps, biomass boilers and solar thermal data the tCO_2e are calculated using factors from the Energy Saving Trust 2025 which identifies the avoided emissions for average usage of one heating system vs another. Heat batteries used the same method but with specific emission factors from Tepeo in 2025. For these calculations we used an upgrade from

	A-rated gas boilers as these are the most common heating system in the UK and result in the most conservative estimations compared to other upgrades. For heating controls, solar PV domestic, solar PV commercial, energy efficient lighting upgrades, loft insulation, room in roof insulation, internal/external wall insulation, cavity wall insulation, underfloor insulation and energy efficient windows the tCO_2e are calculated using factors from the Energy Saving Trust 2025 which identifies the avoided emissions for average usage for different home types. For these an average home was selected, that excluded larger detached homes and bungalows as these provided higher emissions savings and are less likely to represent a typical social home. These calculations are assumed to use typical annual energy usage. For flat roof insulation and EPC upgrades the tCO_2e are calculated using factors from the UK Governments Statistical Data. For flat roof insulation an average UK home was selected with average usage. For EPC upgrades an upgrade from EPC D to EPC A/B/C was selected for an average UK home as this had the most conservative estimation of avoided emissions. Installation and retrofit activities were only calculated where emission factors are available. The estimated savings are calculated, at present, in isolation and based upon an average UK property and usage. The estimated savings do not consider the specific factors affecting each individual property including geography, energy usage, occupancy and other variables. The estimated lifetime avoided emissions are based upon a typical 15-year lifecycle of a product. The lifecycles of products may vary based upon usage and other factors.
Intensity metrics	
Definition	Carbon intensity metrics refer to the amount of greenhouse gas emissions (typically measured in CO_2e) emitted per unit of activity, output, or product. This metric is crucial for assessing environmental efficiency and comparing the carbon footprint across different sectors and processes.
Scope	The reporting period is 1st October 2024 to 30th September 2025 Sureserve report emissions arising from activities for which we are responsible. Our reporting scope is against an operational control.
Units	tCO_2e per headcount or tCO_2e per million £ revenue
Method	**Emissions per headcount** Headcount data is collected using our internal HR data management system. The tCO_2e are calculated by dividing the emissions data per headcount. Headcount is for employees (full time or part time) only and does not include contractors. **Emissions per £m revenue** Financial data is collected using our financial data management system. The tCO_2e are calculated by dividing the emissions data per £m revenue.

3. Climate-related financial disclosures data

In FY 2025 Sureserve completed its first climate scenario analysis. This scenario analysis evaluates the potential impacts of climate-related transition and physical risks on Sureserve's operations and strategy over the period 2025–2050. The analysis is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[11] and the UK Climate-related Financial Disclosure[12] (UK CRFD) framework, using publicly available datasets consistent with the Network for Greening the Financial System (NGFS)[13]

[11] www.fsb-tcfd.org/

[12] www.gov.uk/government/publications/climate-related-financial-disclosures-for-companies-and-limited-liability-partnerships-llps

[13] www.ngfs.net/en

scenario framework. The objective is to provide the board, investors, and key stakeholders with an evidence-based understanding of plausible future climate pathways and their implications for Sureserve's business.

3.1 Scenario selection

Three climate scenarios were selected to reflect a range of plausible trajectories for global warming, policy intervention, and energy transition. These scenarios were chosen based on NGFS definitions to capture both transition and physical risks, ensuring relevance to the UK context in which Sureserve operates. These scenarios allow assessment of both the magnitude and timing of climate impacts on Sureserve's operations and market environment.

1. **Current Policies (CP)**
   This scenario assumes that current climate policies continue without significant additional measures. It represents a business-as-usual trajectory, allowing the assessment of risks associated with insufficient mitigation and incremental policy progress. This model has an assumed global surface temperature (GSAT) increase of ~1.3°C in 2025, rising to ~2.3°C by 2050.

2. **Delayed Transition (DT)**
   This scenario assumes limited policy action in the near term, followed by rapid and aggressive decarbonisation measures after 2035. It captures the risk of abrupt regulatory and market adjustments, reflecting potential volatility in carbon pricing, electrification demand, and retrofit markets. This model has an assumed GSAT of ~1.3°C in 2025, rising to ~2.3°C by 2050, with higher warming earlier than CP.

3. **Net Zero 2050 (NZ2050)**
   This scenario assumes early and sustained global action to achieve net-zero emissions by 2050. It represents an ambitious mitigation pathway aligned with the Paris Agreement objective of limiting warming to 1.5–2°C. This scenario is particularly useful for identifying strategic opportunities and resilience requirements under proactive decarbonisation policies. This model has an assumed GSAT of ~1.3°C in 2025, stabilising at ~1.6°C by 2050.

3.2 Model context and rationale

To provide a comprehensive view of climate-related risks and opportunities, multiple NGFS-aligned models were used, each selected based on their coverage, granularity, and relevance to Sureserve's UK-based operations:

1. **GCAM 6.0 (Global Change Assessment Model)**
   This is a global integrated assessment model linking energy, land use, and economic systems. This model offers detailed sectoral energy and emissions projections, allowing scenario-specific evaluation of residential and commercial energy demand, carbon prices, and electricity consumption. It provides UK-specific downscaled outputs suitable for understanding transition risks and market opportunities.

2. **REMIND-MAgPIE 3.3-4.8 (Integrated Physical Damages, median)**
   This model combines energy-economy modeling (REMIND) with land-use (MAgPIE) and explicitly incorporates physical climate damage impacts on GDP. This model was selected to provide macro-economic context and sensitivity analysis for Sureserve, complementing GCAM projections. It is used primarily in appendices to

show alternative perspectives and reinforce robustness of findings. The median scenario was chosen to provide balanced results.

3. **Kotz-Wenz (MAGICC v7.5.3 – NGFS Physical Damages Baseline)**
   This is a reduced-complexity climate model that generates probabilistic projections of global mean surface temperature (GSAT). The model provides median (50th percentile) estimates of warming, expressed as °C above pre-industrial levels, consistent with NGFS physical diagnostics. This enables translation of global physical risks into potential UK operational impacts, such as extreme weather and chronic climate stress.

3.3 Dataset selection and application

Each dataset was selected to reflect the specific risks and opportunities relevant to Sureserve's operational footprint in the UK.

- Carbon Price (US$2010/t CO_2): Primarily from GCAM 6.0 NGFS, capturing sector-specific and temporal dynamics of transition costs. REMIND-MAgPIE included in appendices for sensitivity. Carbon pricing is a key driver of retrofit and decarbonisation service demand.
- Emissions (Mt CO_2/yr, Residential and Commercial): Derived from GCAM 6.0 NGFS, providing sectoral granularity to assess decarbonisation opportunities and regulatory exposure. REMIND-MAgPIE outputs supplement analysis in the appendices.
- Energy Demand – Final Energy Residential & Commercial (EJ/yr): From GCAM 6.0 NGFS, allowing evaluation of energy efficiency opportunities, electrification of heating, and operational implications for Sureserve's projects.
- Electricity Demand – Final Energy|Electricity (EJ/yr): Also, from GCAM 6.0 NGFS, capturing projected electrification trends and load growth that inform potential market expansion.
- GDP (PPP, including medium chronic physical damage, billion US$2010/yr): From REMIND-MAgPIE 3.3-4.8 Integrated Physical Damages, median, providing insight into macroeconomic resilience, client investment capacity, and market growth opportunities under each scenario.
- Global Surface Air Temperature (GSAT, °C above pre-industrial): From Kotz-Wenz (MAGICC v7.5.3 – NGFS Physical Damages Baseline). Serves as a primary physical risk indicator, informing potential operational disruptions, asset exposure, and adaptation requirements.

3.4 Spatio-temporal scope

All datasets are focused on the United Kingdom (GBR) to reflect Sureserve's operational footprint. Where model outputs are global or regional, values were downscaled to the UK using NGFS-provided regional splits. The temporal horizon spans 2025–2050, providing a medium- to long-term perspective suitable for strategic planning, capital investment, and risk management. The year 2025 is used as the baseline for consistency with Sureserve's first year of TCFD-aligned reporting.

3.5 Data processing and analysis

Data were processed and harmonised to ensure comparability across scenarios and variables. Emissions, energy demand, electricity, carbon price, GDP, and temperature datasets were converted to consistent units and aligned by year. Percentage change tables were created to highlight trends across scenarios, and traffic-light coding was applied to visually distinguish positive and negative impacts.

Graphs and charts were produced to illustrate both absolute values and relative changes, providing a clear visual representation of transition and physical risk pathways. Where multiple models were available, GCAM was selected as the primary source for transition variables due to sectoral granularity, while REMIND-MAgPIE was retained in appendices to provide scenario sensitivity and robustness checks.

3.6 Risk and opportunity assessment

For each scenario, the analysis identifies key transition risks (carbon pricing, regulatory changes, market shifts) and physical risks (temperature-related impacts, extreme weather, chronic climate exposure). Opportunities, including retrofit, electrification, and climate adaptation services, were assessed alongside potential operational and strategic implications.

The outputs of this scenario analysis provide the basis for Sureserve's resilience statements, strategic planning, and board-level oversight. By integrating NGFS-aligned model outputs with company-specific operational context, the analysis supports evidence-based decision-making under a range of plausible climate futures.
Assumptions and Limitations

- Scenarios are plausible pathways, not precise forecasts; outcomes may vary.
- GSAT values represent global averages; local variations may differ.
- Projections are model-based, reflecting macro trends rather than specific company actions.
- Model selection prioritised UK relevance, sectoral granularity, and NGFS alignment.

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