

PPN 06/21 - Carbon Reduction Plan

Company Name: Unipart Logistics

Publication Date: 26th January 2023

Document Purpose

Our reduction plan is presented in response to the recent Procurement Policy Note (PPN) 06/21 and provides transparency and demonstrates our progress towards building a robust carbon reduction programme.

Commitment to achieving Net Zero

Unipart Logistics commits to achieving net-zero¹ Scope 1 and 2 emissions by 2030 and net-zero¹ Scope 3 emissions by 2040.

Unipart Logistics has signed up to the UN Race to Zero Campaign. As part of this campaign, Unipart is required to achieve net zero emissions as soon as possible, and by 2050 at the latest, and set an interim target which reflects maximum effort towards reaching a 50% reduction by 2030.

'Our Carbon Pledge - Race to Zero' is our Group wide initiative to decarbonise our operations. Our Carbon Pledge commits us to Science Based Targets (SBT) in line with 1.5 degree warming.

Unipart has committed to having near-term and net zero emission reduction targets validated by the SBTi. Unipart is in the process of developing its targets for review and validation by the SBTi.

¹ To achieve net-zero we are aiming for an at least 90% reduction in absolute emissions compared to our base year – any residual emissions will be offset with carbon sequestration offsets, as per the Science-Based Targets Initiative's Net-Zero Standard guidance.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Years:

Scope 1, 2 and 3 – FY2021 (1st January – 31st December)

Additional Details relating to the Baseline Emissions calculations.

The GHG emissions scope boundary, used to establish our 2021 baseline, was determined via an operational control model following the Greenhouse Gas Protocol guidelines. The baseline includes all Scope 1 and 2 emissions in accordance with SECR requirements. Scope 3 emissions have been calculated as per the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard Guidance.

Baseline year emissions:

EMISSIONS	TOTAL (tCO ₂ e)																						
Scope 1	18,334																						
Scope 2	4,074 (location-based) 4 (market-based)																						
Scope 3	133,638 <table> <tr> <td>1: Purchased Goods and Services</td><td>19,068</td></tr> <tr> <td>2: Capital goods</td><td>1,467</td></tr> <tr> <td>3: Fuel-related emissions</td><td>5,635</td></tr> <tr> <td>4: Upstream Transportation and Distribution</td><td>83,576</td></tr> <tr> <td>5: Waste generated in operations</td><td>602</td></tr> <tr> <td>6: Business travel</td><td>136</td></tr> <tr> <td>7: Employee commuting</td><td>10,315</td></tr> <tr> <td>8: Upstream leased assets</td><td>4,915</td></tr> <tr> <td>9: Downstream Transportation and Distribution</td><td>Not applicable (all third-party transport and distribution is paid for by Unipart Logistics)</td></tr> <tr> <td>10: Processing of sold products</td><td>Not applicable</td></tr> <tr> <td>11: Use of sold products</td><td>7,912</td></tr> </table>	1: Purchased Goods and Services	19,068	2: Capital goods	1,467	3: Fuel-related emissions	5,635	4: Upstream Transportation and Distribution	83,576	5: Waste generated in operations	602	6: Business travel	136	7: Employee commuting	10,315	8: Upstream leased assets	4,915	9: Downstream Transportation and Distribution	Not applicable (all third-party transport and distribution is paid for by Unipart Logistics)	10: Processing of sold products	Not applicable	11: Use of sold products	7,912
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	12. End of life treatment of sold products	12
	13. Downstream leased assets	Not applicable
	14. Franchises	Not applicable
	15. Investments	Not applicable
Total Emissions	156,046 (location-based) 151,976 (market-based)	

Current Emissions Reporting

The table below summarises our emissions by Scope for the most recent reporting period; 1st January 2021 – 31st December 2021.

EMISSIONS	TOTAL (tCO ₂ e)	
Scope 1	18,334	
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Scope 3	133,638	
	1: Purchased Goods and Services	19,068
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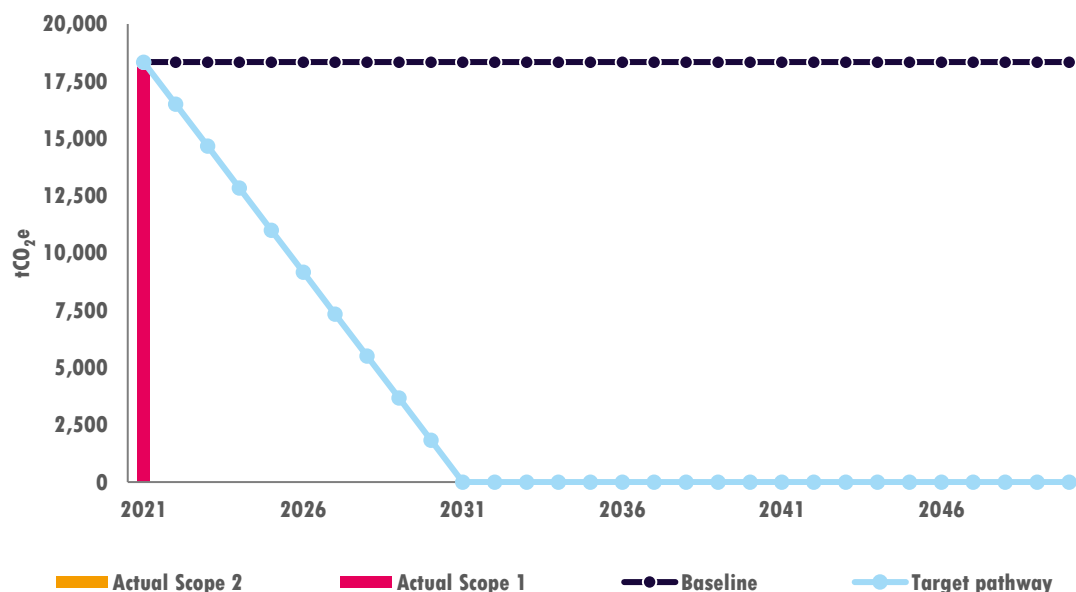


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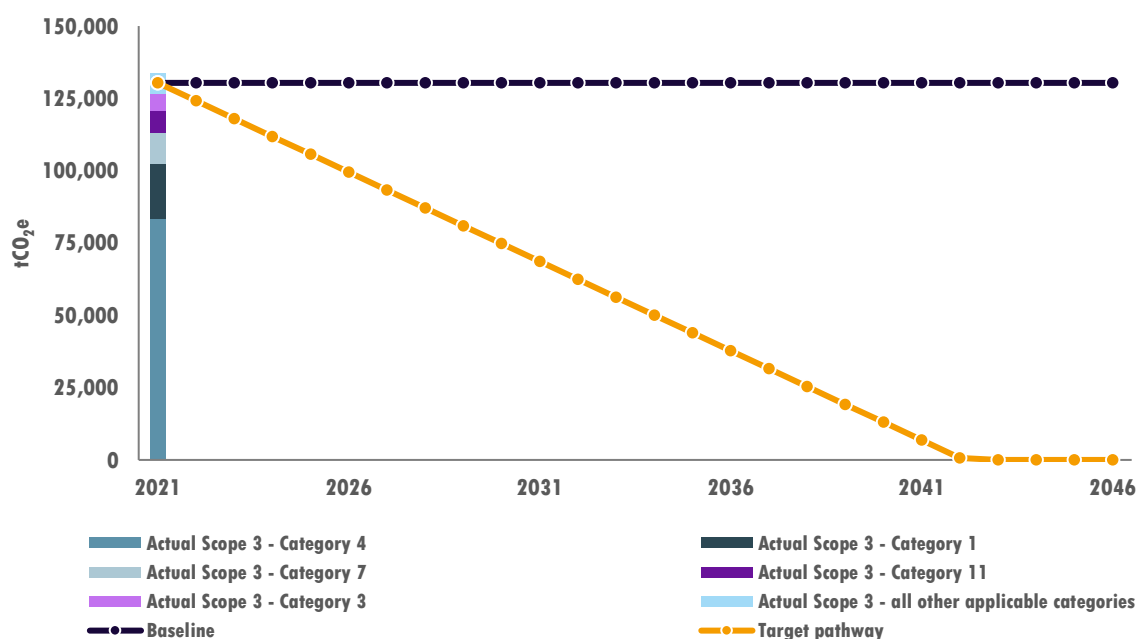
Emissions reduction targets

Unipart Logistics aims to achieve net-zero¹ Scope 1 and 2 emissions by 2030, compared to a 2021 baseline, and net-zero¹ Scope 3 emissions by 2040, compared to a 2021 baseline. A market-based approach will be used for our Scope 2 emissions baseline and target. We are currently in the process of developing and submitting emission reduction targets to the Science-Based Target Initiative for validation.

Our baseline emissions and Scope 1 and 2 target pathway can be seen in the graph below:



Our baseline emissions² and Scope 3 target pathway can be seen in the graph below:



² The baseline forecast assumes no change in the level of Scope 3 emissions associated with Unipart Logistics.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects were completed between 2019 and 2021 and resulted in a 5,024 tCO₂e reduction in our Scope 1 and 2 emissions.

- LED lighting switch across all sites
- All sites powered by 100% renewable electricity, as of January 2021
- Solar panel installation at Honeybourne site
- Investigating solar panel installation Lutterworth and Nuneaton.
- NHS fleet replacement to Euro 6 engines which are more fuel efficient and are alternative fuel HVO (Hydro treated Vegetable Oil) ready engines.
- Various heat loss reduction technologies installed such as rapid-roller doors and dock levellers
- Push tap and sensor tap installation to reduce water consumption at all UL sites
- Compressed Air Leak detection installed at Honeybourne
- Skylight replacement programme across the estate to allow more natural daylight into warehouses reducing need for lighting
- Rain water harvesting installation is underway
- Environmental training for all our staff to engage and inspire continuous improvement.
- Full electric mechanical handling equipment (MHE) with the phasing out of all diesel and LPG trucks

Since 2021, the following environmental management measures and projects have been undertaken. The emission reduction savings due to these initiatives have not yet been quantified but will be established when we calculate our 2022 emissions in early 2023.

- Worked with a third-party expert to quantify our full Scope 3 GHG emissions inventory
- Developed a net-zero strategy across all 3 scopes of emissions
- Net-zero workshops held with the Sustainability steering group
- Moved to HVO fuel use for some Unipart Transport Services (UTS) owned vehicles – estimated to reduce emissions from these vehicles by over 80%
- Installation of sub meters at appropriate sites to manage energy consumption
- All UL sites moved to green gas contracts
- Fleet replacement of NHS shunters and tractors to HVO ready
- Purchased eight electric HGVs for the NHS Supply chain contract
- HVAC monitoring and management of energy consumption

Identified opportunities considered for implementation.

In the future we hope to implement further measures such as:

- Continue to introduce HVO fuel to all transport fleets
- Developing digital technology to deliver carbon reduction and environmental improvements

- Collaborating with the supply chain to understand, manage and reduce our wider environmental impacts
- Review procurement and logistics contracts to ensure our supply chain are on a similar emissions reduction pathway
- Further implement circular economy strategy across our business designing out waste & pollution, keeping products and materials in use and regenerating natural systems
- Holding employee engagement workshops to help inform employees how they can reduce their emissions footprint while at work, travelling to work, and at home
- Reviewing business travel policy and implementing initiatives to encourage low-carbon travel by employees
- Implement green commuting schemes including lift share programmes and Cycle to Work Scheme

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard³ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁴.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁵.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Jen Hunt
Name

sustainability Director
Role

DocuSigned by:
Jen Hunt
Signature 45288b97e9d04b7...

1/26/2023
Date:

³ <https://ghgprotocol.org/corporate-standard>

⁴ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁵ <https://ghgprotocol.org/standards/scope-3-standard>

Appendix

Methodology

Scope 1 and 2 greenhouse gas emissions have been calculated according to the 2019 UK Government environmental reporting guidance. Consistent with the guidance, relevant emissions factors published in the 2021 UK Government's Department for Business, Energy and Industrial Strategy (BEIS) "Greenhouse gas reporting: conversion factors" have been used. The CO₂ equivalent conversion factor has been used throughout and, where applicable, the kWh gross calorific value (CV) was used.

Scope 1 and 2 emissions have been calculated using both a location-based and market-based approach:

- **Location-Based:** This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities. BEIS provides UK emissions factors for fuel and grid electricity annually, which are used in location-based reporting.
- **Market-Based:** This method calculates emissions associated with fuel and electricity consumption by using contract-specific emissions intensities. Market-based reporting enables companies who purchase lower carbon fuel and electricity to demonstrate the benefit of their investment.

Transport-related emissions from fuel combustion were calculated using the BEIS "Greenhouse gas reporting: conversion factors" 2021 database.

Scope 3 emissions have been calculated based on the guidance in the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Standard".

For all of Unipart Logistics operations, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.

The majority of conversion factors were sourced from the BEIS Greenhouse gas reporting: conversion factors, v1.0 2021 database. Where a spend-based approach was used, as per the GHG Protocol guidance, conversion factors were taken from the University of Leeds and Department for Environment, Food and Rural Affairs' UK Footprint Results (1990 – 2018)' study or the Department for Environment, Food and Rural Affairs' Indirect emissions for the supply chain' database.

Scope 3 Well to Tank (WTT) and T&D losses are included within each relevant Scope 3 category and WTT and T&D losses related to Scope 1 and 2 fuel use, are included under Scope 3 – Category 3.