



CARBON MANAGEMENT PLAN

Sharon Services (UK) Ltd

Date: 15th April 2024

Executive Summary

This Carbon Management Plan sets out ambitions for Sharon Services (UK) Ltd, and acts a roadmap for progress. Reducing carbon emissions is not just about commitment to the environment. The same processes used to identify carbon emissions reduction will also identify and realise financial savings through improved efficiency in the procurement and operation of buildings, transport, manufacturing, and supply processes. The actions outlined within this Carbon Management Plan form part of an efficiency plan to reduce consumption and provide value for money.

Reductions could be achieved through a range of projects including, switching to hybrid or electric vehicles, implementing travel policies, upgrading heating infrastructure and changing electricity providers to one supplying renewably sourced electricity. This Carbon Management Plan is viewed as a 'live' document and should be updated periodically with project updates and the tracking of progress and milestones.

By 2027, Sharon Services will reduce its carbon emissions by 15% on its baseline of 2023.

And

By 2050, Sharon Services is committed to achieving Net Zero emissions.

Introduction

Sharon Services headquarters is based in Glasgow and it undertakes to carry out a Carbon Footprint Baseline Assessment during 2023 that will outline the company's emissions.

This year's baseline carbon footprint will be calculated in tones of carbon dioxide equivalent (tCO_{2e}). This will be for the company's headquarters, supply chain, material use and staff travel. The emissions will include the emissions from all materials used as part of the company's operations, along with any waste assigned to Sharon Services.

Context and Drivers for Carbon Management

Organisations and businesses face a complex set of drivers for managing carbon emissions. These drivers should not be considered in isolation and should be considered in reference to the overall goal of minimising environmental impact while contributing to society and the economy.

The following represent the key carbon drivers for this carbon management plan:

- Scottish Government targets
- UK & European targets
- Rising energy costs
- Recognition of contributing to the broader consequences of Climate Change
- Social responsibility

Emissions Baseline and Projections

Scope and Boundaries of the Carbon Footprint

In keeping with the Greenhouse Gas Protocol¹ (WRI 2004), the operational boundary should include all Scope 1 and Scope 2 emissions (e.g., on-site fuel combustion, company owned vehicles and purchased electricity consumption).

For reporting and monitoring purposes Sharon Services carbon emissions will be grouped using the following business categories

Source	Example
Staff Travel	Vehicle mileage
Electricity	Electricity use and generation
Waste Disposal	Waste disposal and recycling
Fleet transport	Deliveries and freight services

Components that will be excluded from the assessment scope:

- Office consumables that have a negligible carbon footprint such as pens and other small items of stationery.

Data is collated and converted to a tCO_{2e} equivalent.

Carbon Footprint Baseline

Sharon Services carbon footprint for the baseline year of 2023 is broken down using the following business categories, and their emissions are reported on a regular basis.

Where emission figures are available they are listed in the table below:

Baseline Year: 2023 (January to December)	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	<p>Direct greenhouse gas emissions that occur from sources that are controlled or owned by Sharon Services (UK) Ltd, e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles.</p> <p>3 cars used for business purposes, 2 petrol 1 diesel</p> <p>Approximately 29,000 miles done from 1st Jan 2023</p> <p>Porsche Macan S - petrol - 16500 @ 25 mpg – 6.40 tonne</p> <p>Mercedes GLC - diesel - 7000 @ 35 mpg – 2.31 tonne</p> <p>Ford Focus - petrol - 5500 @ 56.5 mpg - 0.96 tonne</p> <p>tCO₂e = <u>9.67 tonne</u></p>
Scope 2	<p>Indirect greenhouse gas emissions associated with the purchase of electricity, steam, heat, or cooling. They are accounted for by the Sharon Services (UK) Ltd as they are a result of the organisation's energy use.</p> <p>None</p> <p>Opus Energy is the wholesaler of all electrical supply, which is derived from renewable resources and is carbon neutral. Confirmation of monthly tCO₂e is confirmed in company energy bills.</p>
Scope 3 (Included Sources)	<p>Sharon Services (UK) Ltd's scope 3 emissions include:</p> <ul style="list-style-type: none"> • Business Air travel - 1 trip to Turkey in 2023 Round Trip London to Istanbul 1567 miles = 0.9 tCO₂e • Employee commuting - 14 employees; 2 cycle, 3 drive, 9 use public transport • Waste generated in operations <ul style="list-style-type: none"> - Packaging only, 100% of waste is recycled by Biffa • Upstream transportation and distribution <ul style="list-style-type: none"> - From factory to port by road (International)

	<p>44 shipments averaging 50 miles per factory export tCO₂e = 2.68kg x 1980 litres of diesel used = <u>5.3 tonnes</u></p> <p>- From port to port by sea (International) 16g per metre of cargo x 29 tonnes (40ft HQC) = 464g/ km 4 tonnes per shipment from Shanghai to UK tCO₂e = 28 CHN>UK shipments x 4 tonnes = <u>112 tonnes</u> 1.7 tonnes per shipment from Turkey to UK tCO₂e = 16 TUR>UK shipments x 1.7 tonnes = <u>27.2 tonnes</u></p> <p>- From port to DC by road (UK) 44 shipments averaging 30 miles per factory export tCO₂e = 2.68kg x 1320 litres of diesel used = <u>3.5 tonnes</u></p> <ul style="list-style-type: none"> • Downstream transportation and distribution <ul style="list-style-type: none"> - 15918 parcels = 382,032 litres diesel - 555 pallets = 26,640 litres diesel - tCO₂e = 2.68kg x 408,672 litres of diesel used = <u>c.1095t</u> <p>tCO₂e = 1243.9</p>
Total Emissions	<p>Scope 1 = 9.67 Scope 2 = 0 Scope 3 = c. 1243.9 tCO₂e = 1253.6</p> <p>Intensity Metric : 89 tCO₂e per full time employee equivalent</p>

Current Year Carbon Footprint Reporting

Sharon Services carbon footprint for first quarter of 2024 are broken down using the following business categories, and their emissions are reported on a regular basis.

Where emission figures are available they are listed in the table below:

Reporting Year: 2024 – Quarter 1 (January to March)	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	<p>Direct greenhouse gas emissions that occur from sources that are controlled or owned by Sharon Services (UK) Ltd, e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles.</p> <p>3 cars used for business purposes, 3 electric cars</p> <p>tCO₂e = <u>0 tonne</u></p>
Scope 2	<p>Indirect greenhouse gas emissions associated with the purchase of electricity, steam, heat, or cooling. They are accounted for by the Sharon Services (UK) Ltd as they are a result of the organisation's energy use.</p> <p>None</p> <p>Opus Energy is the wholesaler of all electrical supply, which is derived from renewable resources and is carbon neutral. Confirmation of monthly tCO₂e is confirmed in company energy bills.</p>
Scope 3 (Included Sources)	<p>Sharon Services (UK) Ltd's scope 3 emissions include:</p> <ul style="list-style-type: none"> • Business Air travel - 0 trips in 2024 to date • Employee commuting - 11 employees; 4 cycle, 3 drive, 4 use public transport • Waste generated in operations <ul style="list-style-type: none"> - Packaging only, 100% of waste is recycled by Biffa • Upstream transportation and distribution <ul style="list-style-type: none"> - From factory to port by road (International) 13 shipments averaging 50 miles per factory export tCO₂e = 2.68kg x 585 litres of diesel used = <u>1.57 tonnes</u> - From port to port by sea (International) 16g per metre of cargo x 29 tonnes (40ft HQC) = 464g/ km 4 tonnes per shipment from Shanghai to UK tCO₂e = 8 CHN>UK shipments x 4 tonnes = <u>32 tonnes</u> 1.7 tonnes per shipment from Turkey to UK tCO₂e = 5 TUR>UK shipments x 1.7 tonnes = <u>8.5 tonnes</u>

	<ul style="list-style-type: none"> - From port to DC by road (UK) 13 shipments averaging 30 miles per factory export tCO₂e = 2.68kg x 390 litres of diesel used = <u>1.04 tonnes</u> • Downstream transportation and distribution <ul style="list-style-type: none"> - 3243 parcels = 77,832 litres (1st Jan to 31st March) - 119 pallets = 5,712 litres (1st Jan to 31st March) - tCO₂e = 2.68kg x 83,524 litres of diesel used = <u>c.223.8t</u> <p>tCO₂e = 226.91</p>
Total Emissions	<p>Scope 1 = 0 Scope 2 = 0 Scope 3 = c. 226.91 tCO₂e = 226.91</p> <p>Intensity Metric : 20.63 tCO₂e per full time employee equivalent</p>

Carbon Footprint Projections

The carbon footprint forecast for Sharon Services' emissions are likely to be consistent with business growth, which is assumed to be 3%. There are no immediate plans to drastically scale the business, however, this will be subject to review at the company's Management Review meetings and results of various tender applications. The current 2024 first quarter emissions of 226.81 tCO₂e would make it highly likely that our full year 2024 emissions will be approximately 1000 tCO₂e taking into account current sales and new business growth.

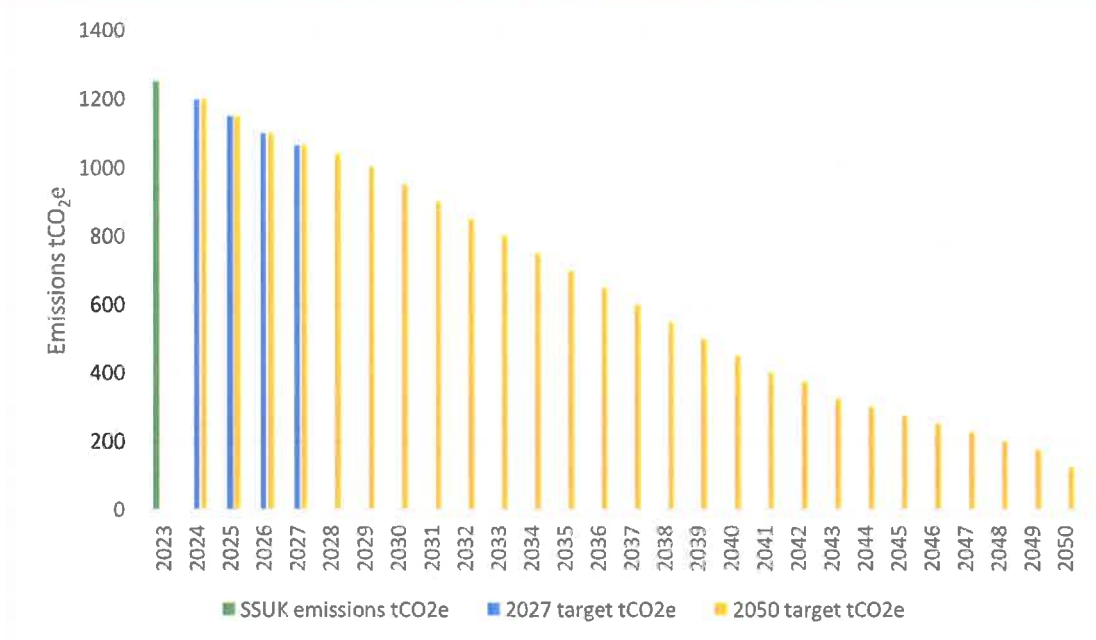
If the 2024 projected 1000 tCO₂e figure is met, we would have reduced our emissions by 20% in comparison to 2023 our baseline year.

Target Setting

The projects presented within this Carbon Management Plan offer a variety of options that will decrease Sharon Services emissions from its 2023 baseline levels.

By 2027, the company will reduce baseline emissions figures by a minimum of 15% (to 1065 tCO₂e).

By 2050, the company will aim to reduce baseline emissions figures by a minimum of 90% and offset any residual emissions through verified and proven methods.



Carbon Reduction Opportunities

In order to continue achieving emissions reductions Sharon Services is committed to identifying opportunities for carbon reduction and implementing carbon saving projects.

The following sets out some of the opportunities to consider for targeting carbon reduction:

- Continue Purchase of Renewable energy from a REGO approved supplier
- Reducing travel emissions by opting for lower carbon transport methods for business travel
- Reuse materials to reduce emissions, switch to recycled product packaging.
- Choosing suitable suppliers based on geographical proximity to upstream emissions.
- Explore downstream delivery service providers with greener lower emission fleets.
- Carbon offsetting initiatives.
- Motion sensor installation throughout warehouse to automate lights switching on and off.
- Smart thermostats installation to set heating schedules and reduce wastage.
- Promote paperless culture.
- Change forklift from fuel powered to electric.

Carbon Management Projects

The following environmental management measures and projects have been completed or implemented.

Sharon Services (UK) Ltd is ISO14001 certified. We have changed all lighting at our premises to LED lightbulbs, and have implemented waste recycling facilities in the

warehouse and offices. We have also addressed water-efficiency issues and encourage only necessary use of fresh water – there is no utilisation of water in direct manufacturing activities.

- **Continue Purchase of Renewable energy from a REGO approved supplier**
Monitor suppliers of our electricity to ensure only renewable sources are used for the electricity provided to Sharon Services.

- **Implementation of Lower Carbon Transport Methods**
At present, the company generates emissions from its transport fleet and personal vehicle use. The company has switched to an electric alternative reducing 9.6 tonnes of carbon emissions. Sharon Service encourages the use of lower carbon public transport options for office based staff.

The company will record its highest used routes and determine whether the same journey can be made by bus or train. It should be noted that changing the transport method to public transport for all journeys may not be possible if access to remote sites is required. To encourage participation in Sharon Services 'Travel-to-Work' Programme. This framework encourages car-pooling, utilisation of public transport, voucher schemes for public transport, cycling to work, shared bicycles, installation of showering facilities, or walking where possible.

Sharon Services flies only on essential business to audit suppliers, however, if any employee is required to do in the future then we will examine the greenest flight option available and record the carbon savings achieved.

- **Switch to packaging materials made of recycled materials**
All packaging utilised for protection of outbound shipments is to be minimised and should be fully-recyclable and reused where possible. Paper and cardboard used in operations is to come from FSC-certified sources only. Product packaging made of plastics are already a minimum 30% recycled materials – we commit to utilisation of 100% recycled plastic packaging within the next 15 years.

- **Review and look to switch to suppliers closer to the UK.**
Upstream transportation from suppliers to Sharon Services UK Ltd is to be tracked in order to assess the mode (land, sea, air), distance of travel, fuel type, and carbon impact. This should be regularly reviewed each quarter in order to implement changes to reduce tCO₂e. Efficiencies in upstream transportation to be assessed and implemented – such as utilisation of sea transport over air transport where handling timescales will allow. Or, to ensure that all transports are utilised to the maximum loading capacity to reduce per-product tCO₂e. Choosing suitable suppliers based on geographical proximity – i.e. using a Turkish supplier over a Chinese supplier. We will ensure that all suppliers undergo a registration process which includes a Code-of-Conduct Policy that ensures effective communication of our company's expectations, instructing suppliers to adhere to guidelines for minimisation of tCO₂e and clarifying

their requirements around reporting of data in a timely manner and commitment to implement changes in process if required.

- **Explore downstream delivery service providers with greener lower emission fleets.**
We are working with downstream delivery service providers to review their carbon footprint and their measures to reduce emissions. We will engage with and switch to providers that are taking aggressive steps to be carbon neutral.

- **Carbon Off setting initiatives**
We will endeavour to implement carbon-offsetting measures such as funding rewilding and tree-planting initiatives via Ecologi and other social sector and environmental programmes in the UK.

- **Motion sensor installation throughout warehouse.**
During the year 2024, we plan to install motion sensors throughout our warehouse to automate ceiling lighting and reduce energy consumption in areas that have no personnel.

- **Smart thermostats installation to set heating schedules and reduce wastage.**
All heated areas will have smart thermostats installed within 18months to schedule heating and remote control to ensure energy efficiency and avoid overheating and unnecessary energy usage.

- **Promote paperless culture.**
All employees have been trained on sustainability awareness and promoting our three R's – to reduce, reuse and recycle. Engaging with suppliers and customers we are actively promoting paperless culture and digital documentation where possible.

- **Change forklift from fuel powered to electric.**
Within the next 18months, we will procure and change our forklifts from fuel powered to electric. We envisage to reduce 1tonne of emissions through this initiative.

Management and Delivery

In order to ensure that there is effective and ongoing ownership of the Carbon Management Plan, it is important to have a fully defined governance structure with buy in at all levels of the business.

The Carbon Management Plan, and carbon saving target, will be approved by Sharon Services senior management. This provides a full endorsement and a clear commitment at the highest level, to reinforce the need for carbon management actions across the business.

The specific objectives of the Carbon Management Plan will be included in the company's strategic business plan, and other continuous improvement plans. Key stakeholders at all levels of the business will provide overall support for promoting a culture of carbon reduction. The key to success of this Carbon Management Plan is effective engagement

within the different areas of the business.

Progress Reporting

This Carbon Management Plan is considered as a 'live' document – envisaged to change with the needs and scope of business operations. To ensure the Plan remains fit for purpose it will be reviewed periodically and included within the Management Review meeting agenda.

The following areas of the Carbon Management Plan will be subject to annual review:

- Progress towards the overall carbon reduction target (in terms of tCO₂e)
- Progress of identified carbon reduction projects, including;
 - Any financial savings achieved
 - Costs of implementing projects
 - Wide benefits of projects

The annual progress review shall be incorporated within annual Business Carbon Assessment reporting.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

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



Signed by Sharon Dsouza on behalf of the supplier.

15th April 2024

www.sharonservices.co.uk

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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

