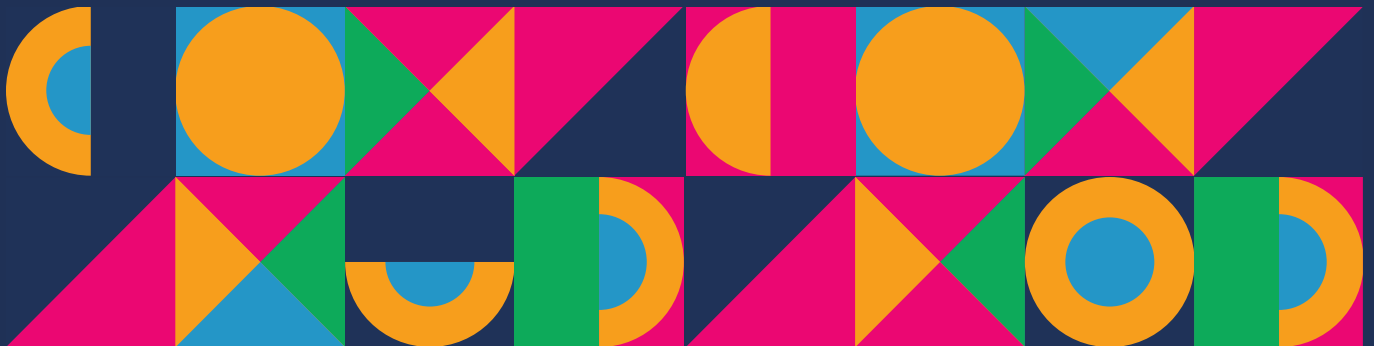


# Carbon Management Policy and Plan

January 2024



# Approval

|             |  |
|-------------|--|
| Approved By | Emma Langford                          |
| Position    | General Counsel and Head of Governance |
| Date        | 4 <sup>th</sup> January 2024           |

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# Carbon Management Policy Statement

Heywood Limited ('the Company'; 'we'; 'our') will manage and reduce the emissions from our operations and responsibly promote our achievements, with the aim of being a carbon neutral business.

We will do this by:

- Following international standards including the World Resource Institutes Greenhouse Gas Protocol and Defra's GHG reporting guidelines for assessing GHG emissions.
- Putting in place a carbon management plan to reduce emissions.
- Setting targets to reduce emissions.
- Assessing and reporting our carbon footprint on an annual basis.
- Offsetting our residual emissions through projects verified against the international Verified Carbon Standard (VCS), Gold Standard or Certified Emission Reductions (CERs).

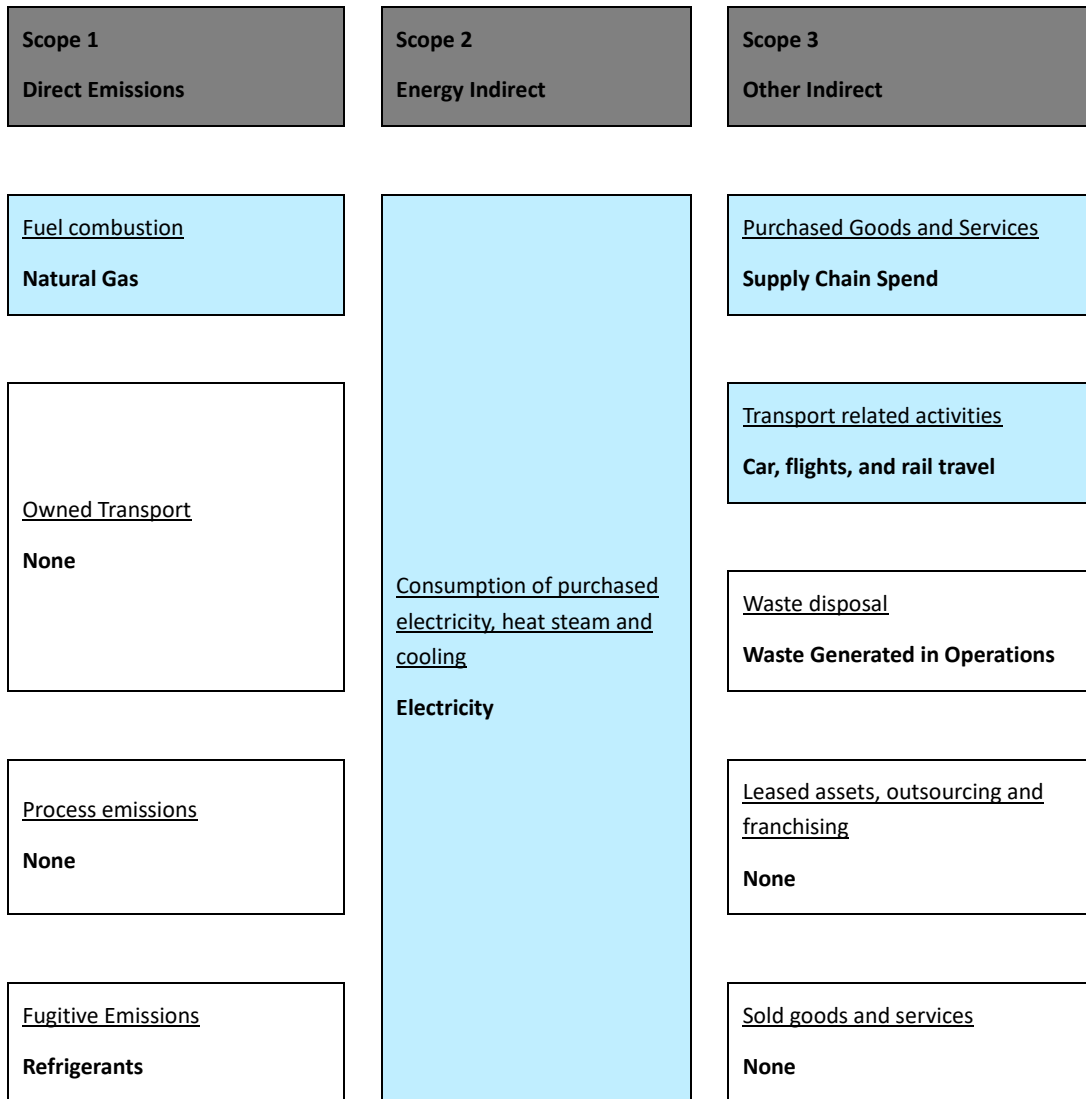


# Carbon Management Plan

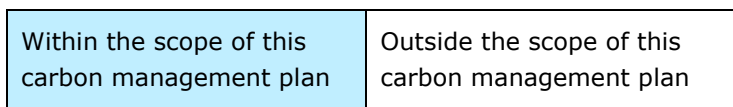
## Scope

The scope of the Company’s carbon management plan is as follows:

Figure 1: Scope of carbon management plan



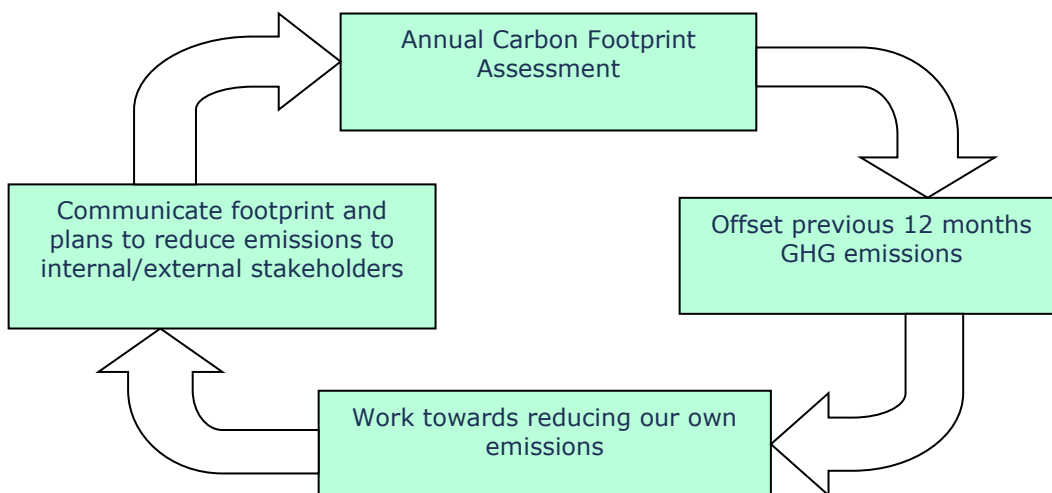
### Key



The areas not within the scope of the carbon management plan have not been covered for the following reasons:

- No refrigerant top-ups were required over the assessment period; hence, the associated emissions are negligible and therefore there is little need to manage them.
- Embodied computing emissions have not been assessed due to difficulty in obtaining data relating to the purchases over 2022 – the use phase emissions have been included within site electricity consumption and homeworking emissions.

## Carbon Management Process



**Figure 2: Our carbon management process**

This carbon management plan is reviewed periodically, at least once a year.

## Our Carbon Reduction Target

Our long-term aim is to reduce our annual carbon footprint on a per unit turnover basis (tCO<sub>2</sub>e/£m turnover) by 80% against the 2022 baseline year, by 2050.

In addition, in the medium term, our target is a 30% reduction by 2035.

These targets will be met by the actions detailed in section 4 that we are putting in place.



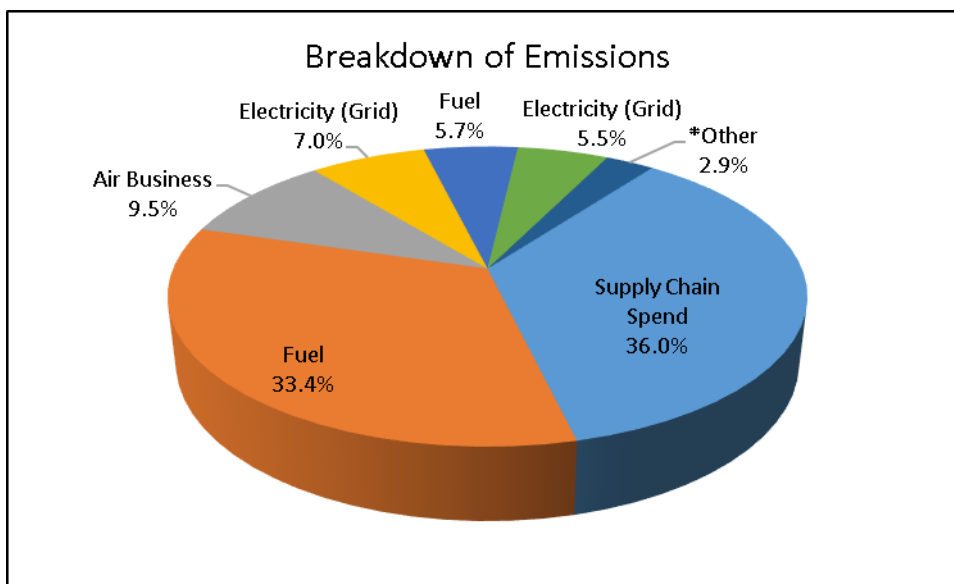
# Carbon Footprint Tracking

## Our baseline carbon footprint

The baseline year for comparing future carbon footprint reductions is 1 January 2022 to 31 December 2022.

Our carbon footprint for the baseline year was 544 tCO<sub>2</sub>e. The results and the methodology used for the calculations can be found in the appraisal report and supplementary documents for that year, provided by a third party.

The chart below shows the breakdown of the emissions during the baseline year:



**Figure 3: Percentage contribution of each element to our carbon footprint during the baseline year**

## Our subsequent carbon footprint assessments

This is the first year that we have assessed our carbon footprint. Subsequent emissions assessments will be compared against the baseline year and results presented here.



# Carbon Reduction Plan

## Acknowledgement of restrictions

We are restricted in emission reductions for our site as it is a rented office in a shared building, so we have only a limited level of influence over the landlord in its choice of electricity supplier. However, this has been mitigated by us selecting an office which we feel is aligned to our sustainability goals, such as promoting the use of renewable energy.

A large part (36%) of emissions come from supply chain spend. There are restrictions on what level of impact can be made here. However, in the long-term we will look at including requirements to report and reduce emissions in any tenders we issue.

## Carbon reduction actions

The following carbon reduction actions are designed to help our company reduce our carbon emissions and meet our target.

Within eight months after the end of the appraisal period, all carbon reduction actions must be assessed against performance. Should an action not be completed or in progress by the date set, a corrective action should be enacted to ensure we are on track to meet the reduction target.

### Travel

| Action Number   | TR01  |
|---|---|
| <b>Action description</b>   | Evaluate the effectiveness of using remote meetings and re-define what our business classifies as "essential" travel going forward. |
| <b>Allocated to</b>   | Chris White   |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |   |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |   |





| Action Number   | TR02   |
|---|--|
| <b>Action description</b>   | Cut back on all non-essential flights and rail journeys. Where this cannot be avoided, ensure we choose the most sustainable and low-emission options available. (e.g., train companies, airlines that offset their emissions, electric aircraft and/or SAFs and train services that run on renewable energy sources). |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b> <i>(if performance assessment reveals the action is not being carried out)</i>         |  |

| Action Number   | TR03   |
|---|--|
| <b>Action description</b>   | Educate employees on energy-efficient driving tips. Continue to encourage employees to transition to electric vehicles by maintaining and increasing access to electric charging points at our site if possible (landlord restrictions). |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b> <i>(if performance assessment reveals the action is not being carried out)</i>         |  |

| Action Number             | TR04   |
|---------------------------|--|
| <b>Action description</b> | Encourage any business travel that is necessary to be by public transport rather than private car unless electric vehicles are used. |



|   |             |
|---|-------------|
| <b>Allocated to</b>   | Chris White |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |             |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |             |

### Heating and Cooling

|   |   |
|---|---|
| <b>Action Number</b>  | <b>HC01</b>   |
| <b>Action description</b>   | Explore the insulation of the building in order to retain heat and improve cooling. |
| <b>Allocated to</b>   | Chris White   |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |   |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |   |

|   |  |
|---|--|
| <b>Action Number</b>  | <b>HC02</b>  |
| <b>Action description</b>   | Work with the landlord to ensure the AC unit for the building is regularly maintained in order to avoid leakage. |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b>  |  |



|  |  |
|--|--|
| <i>(if performance assessment reveals the action is not being carried out)</i> |  |
|--|--|

**Buildings**

|   |  |
|---|--|
| <b>Action Number</b>  | <b>BG01</b>  |
| <b>Action description</b>   | Switch electricity suppliers for all sites to a 100% renewable energy supply (obtain certificate as confirmation) by 2025. |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |  |

|   |   |
|---|---|
| <b>Action Number</b>  | <b>BG02</b>   |
| <b>Action description</b>   | Carry out an energy audit of the office on a regular basis, looking for opportunities to conserve energy, increase efficiency and reduce wastage (e.g., check heating/air-conditioning settings). |
| <b>Allocated to</b>   | Chris White   |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |   |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |   |

## Employee Commuting

|   |  |
|---|--|
| <b>Action Number</b>  | <b>EC01</b>  |
| <b>Action description</b>   | Conduct a survey to ascertain current travel distance, mode of transport and total commute days for all employees to provide an accurate more accurate picture of our commuting emissions. |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |  |

|   |   |
|---|---|
| <b>Action Number</b>  | <b>EC01</b>   |
| <b>Action description</b>   | Encourage employees to commute to work by cycling/public transport if possible. Display local transportation networks/timetables/cycle routes within the office and circulate to employees and visitors. In tandem with the earlier travel suggestion of increasing the volume of EV charging points installed by 2035 to facilitate transition to EVs. |
| <b>Allocated to</b>   | Chris White   |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |   |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |   |

## Supply Chain

|                           |   |
|---------------------------|---|
| <b>Action Number</b>      | <b>SC01</b>   |
| <b>Action description</b> | Conduct and review the results of a supplier sustainability survey and develop a stakeholder engagement plan. |



|   |             |
|---|-------------|
| <b>Allocated to</b>   | Chris White |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |             |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |             |

|   |  |
|---|--|
| <b>Action Number</b>  | <b>SC02</b>  |
| <b>Action description</b>   | Ensure we only establish agreements for our contracted works with businesses that are carbon neutral by 2050 or earlier. |
| <b>Allocated to</b>   | Chris White  |
| <b>Performance assessment</b><br><i>(to be completed within 4 months after the end of the appraisal period)</i> |  |
| <b>Corrective action</b><br><i>(if performance assessment reveals the action is not being carried out)</i>      |  |



# Carbon Offsetting Plan

Our main aim is to be a carbon neutral company. In order to achieve this status, we commit to achieve carbon reductions within the Company and to offset all residual emissions.

Our offset projects and methodology for offsetting meet the following principles:

- The offsets we purchase or the allowance credits we surrender represent genuine, additional GHG emission reductions elsewhere.
- The projects involved in delivering our offsets meet the criteria of additionality, permanence, leakage, and double counting.
- Our carbon offsets are verified by an independent third-party verifier.
- Our credits from carbon offset projects are only issued after the emission reduction associated to the offset project has taken place.
- Our credits from carbon offset projects are retired within 12 months from the date of the declaration of achievement of carbon neutral status.
- Our credits from carbon offset projects are supported by publicly available project documentation on a registry which provides information about the offset project, quantification methodology and validation and verification procedures.
- Our credits from carbon offset projects are stored and retired in an independent and credible registry.

Our offset credits are retired from either Markit or APX Registry on our behalf by Carbon Footprint Ltd. Offset credits can be tracked by anyone on the [registry website](#) by running a search using our company name (and the date of retirement in the case of APX Registry) – the credits will appear as retired by Carbon Footprint Ltd with a statement saying “Retired on behalf of Heywood Limited”. When doing this, information will be displayed including:

- The amount of offset.
- The type of offset and projects involved.

The number and type of carbon offset credits used and the time period over which the credits have been generated.

