

Carbon Reduction Plan

Supplier name: **Marston Holdings**

Publication date: **June 2023**

Commitment to achieving Net Zero

Marston Holdings is committed to achieving Net Zero emissions by **2050**.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2018/19	
Additional Details relating to the Baseline Emissions calculations.	
<p><i>Our 2018/19 baseline emissions report Scope 1 and Scope 2 emissions.</i></p> <p><i>Baseline year reporting does not include any scope 3 emissions. We have begun monitoring Scope 3 emissions for the year 2021 – 22 to provide a more comprehensive understanding of our total emissions. This year has now been established as our baseline year for Scope 3 and will be used as a comparator for all future annual Scope 3 returns.</i></p> <p><i>Furthermore, we have employed a carbon analyst who measures, monitors and reviews Scope 1, 2 and 3 emissions, supports the annual SECR reporting process and prepares milestone energy usage / carbon emissions reports.</i></p>	
Baseline year emissions: 2018 – 2019 for scope 1 and 2.	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	6,143
Scope 2	1,202
Scope 3 (Included Sources)	
Total Scope 1 and 2 Emissions	7,345

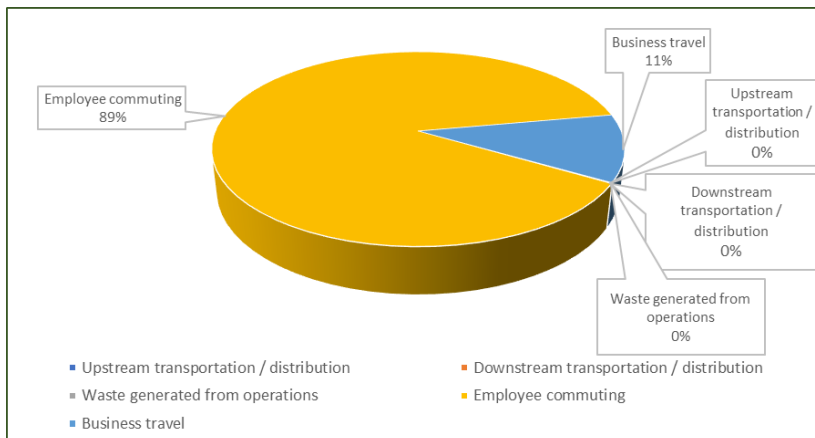
Current Emissions Reporting

Reporting Year: 2021/22	
EMISSIONS	TOTAL (tCO2e)
Scope 1	4,368
Scope 2	934
Scope 3 (Baseline year)	2618.2
Total Scope 1 and 2 Emissions	5302
Total Scope 1, 2 and 3 Emissions	7,920.2

Scope three

2021-22 is our baseline year for scope 3 emissions. Scope 3 emissions are split into defined subsets, 5 of which will be included in the Company's returns.

Base year 2021/22 – Scope 3	tCO2e Emissions
Upstream transportation and distribution	2.679
Downstream transportation and distribution	0.26
Waste generated from manufacturing operations	0.01244
Employee commuting	2322.85
Business travel	292.4
Total	2618.2



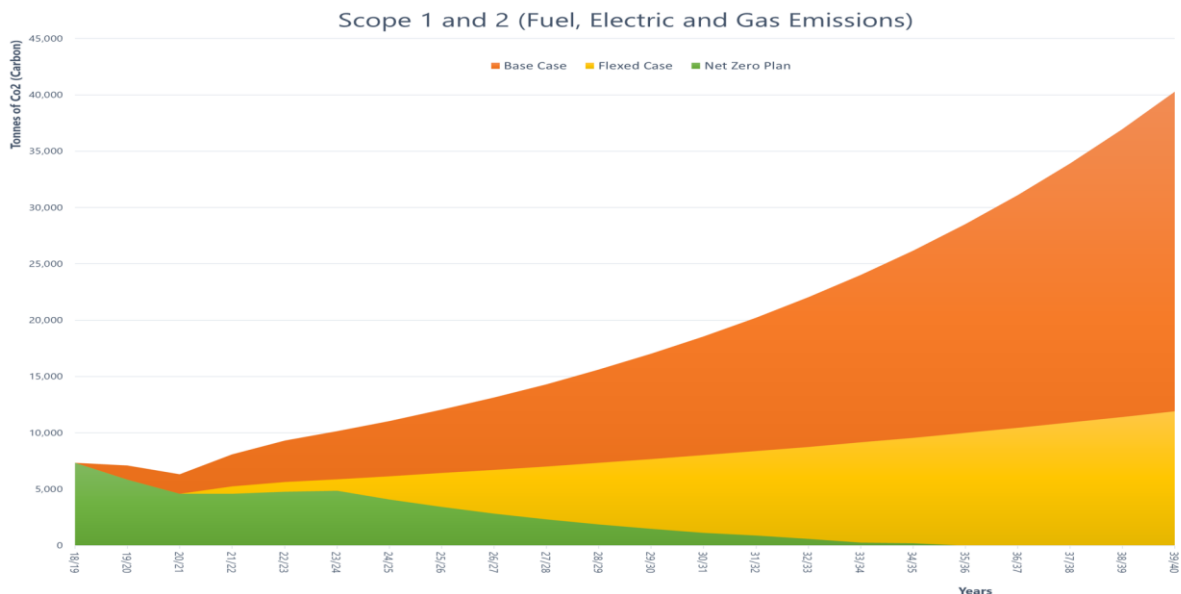
Emissions reduction targets

To continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

Marston is committed to reducing the carbon footprint of its own operations and pledges to achieve net carbon zero emissions by no later than 2040.
Marston has set interim milestones towards its 2040 target and as such commits to a 50% reduction in net carbon emissions by 2030.
We will continue to integrate environmental considerations into all management decisions, and seek to specify and procure energy efficient equipment, vehicles, and properties, with the lowest carbon emissions that are reasonably practicable.
Marston will ensure the allocation of sufficient resources and budget to meet its net carbon zero commitments and milestones.
Employees are fundamental to all improvements and reduction in emissions, and Marston will seek to educate and inform all colleagues, so each can play their part in the overall Net Carbon Zero Plan.
Marston Holdings is committed to helping clients, customers and consumers to succeed in their own sustainable journeys, providing technologies, products and services that contribute to a reduction in carbon emissions.

Net Zero Carbon Plan

Comparison to Base Case and 3 year Business Plan



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the **2018/19** baseline. The carbon emission reduction achieved when comparing only scope 1 and 2 emissions equate to 2,043 tCO₂e, a -28% reduction against the **2018/19** baseline and the measures will be in effect when performing the contract.

Alongside this Carbon Reduction Plan, we have drafted a Net Carbon Zero Plan to sit alongside and within our suite of ISO 14001 documentation. It sets out our key principles, policies, definitions and scope, metrics and summary, ambitions forecasts and handprint. The plan was published in Q1 of 2021/22 and has been updated on an annual basis.

Scope 1 carbon reduction measures.

- An ongoing programme to switch the vehicle fleet to fully electric or hybrid, wherever possible, has been implemented. The percentage of the fleet that is fully electric or hybrid is monitored and reported on a monthly basis.
- EV transition programme. Telematics fitted to each vehicle, when analysed in the context of geography, daily mileage and usage enables identification on an individual vehicle basis when it is advantageous to switch to a fully electric version, when factoring in charging infrastructure, down time and range.
- EV Charging points are installed at new Company workplaces as part of any refurbishments.
- The procurement of any sites that rely on natural gas for heating has been scaled back with a view to ceasing, and enhanced monthly scrutiny of natural gas usage introduced, to highlight and drive down inefficiency or excessive use.
- Older HGVs have been replaced by more energy efficient ULEZ compliant Euro 6 versions, on a phased basis.
- Where current technology doesn't yet facilitate a switch to an electric or hybrid vehicle, we now restrict supply of petrol or diesel vehicles to only the most fuel-efficient variants.
- Driver behaviour and vehicle performance is monitored via on-board telematics, and ongoing analysis and education programs are delivering ongoing improvements per gallon and percentage of time that a vehicle spends idling. Both metrics are reported monthly.

Scope 2 carbon reduction measures.

- All large-scale property refurbishments, and the refit of any newly procured sites, have incorporated the replacement of all incandescent and fluorescent lighting with low energy led equivalents.
- Any smaller scale replacement of light fittings has also involved a switch to **LED**.
- Refurbishment projects have also included the installation of movement-sensing light switches, which automatically switch off the lights when a room is unoccupied.
- Ambient light sensors automatically switch off any outside/ security lights when lighting conditions mean that they are no longer necessary.
- A 'switch it off' employee awareness programme.

Scope 3 carbon reduction measures.

- The existing Cycle to Work scheme has been reviewed and the Green Team is publicising and advocating the benefits of the initiative.

- A salary sacrifice scheme to support colleagues in the purchase of electric vehicles has been launched. This scheme enables colleagues to replace their older internal combustion powered vehicles with electric vehicles, helping to reduce the use of fossil fuels in their daily commute.
- A working from home policy has been introduced, to facilitate home / hybrid working, removing vehicles from the road, reducing fuel usage and the resulting emissions.

Other Carbon Reduction Measures

- Consolidation of the property portfolio to reduce our bricks and mortar footprint will continue.
- The Company continues to reduce waste, with the associated benefits in reduced emissions.
- The volume of wastepaper securely recycled is monitored and reported on a monthly basis.

Carbon Reduction Steering Group

A Carbon Reduction Steering Group has been established which will continue to liaise with all relevant internal and external stakeholders, such as the senior leadership Boards and the Environmental Committee to ensure strategy is aligned with the Company Plan, investor priorities and client requirements. The steering group shares some members with the Environmental Committee and is completed by relevant leaders from the Operations and Executive Boards.

The steering group ensures alignment between the Net Carbon Zero Plan and the Company's 3-year strategic plan and advises the Environmental Committee and Operations/ Executive Boards on necessary aims and objectives. It will report to the Marston Environmental, Social and Governance Committee.

The Carbon Reduction Steering Group will review all sub-sets of SECR Scope 3 and identify which apply to Company operations and are practicable to monitor. It will also regularly review objectives, performance, and parameters in the context of any ongoing or significant expansion of the Company.

The steering group will also monitor the introduction of relevant technologies as they become available, to identify any potential benefits and will, where appropriate, recommend their adoption by the Company to further reduce carbon emissions.

Green Team

The Green Team has been established and is comprised of representatives from the company's acquired businesses and clients, working with complete independence to improve environmental change throughout the company.

The team is committed to finding innovative solutions independent of and in addition to Company identified plans to reduce the organisation's carbon footprint and works together to engage, research, and shape eco-friendly initiatives.

Learning and behavioral change

- An e-learning carbon awareness course has been developed and rolled out across the company.
- Brand leaders and some environment committee members have also taken part in extensive carbon literacy training and gained carbon literacy certification through the carbon literacy project.

- We will continue with promoting Employee education and performance monitoring to ensure that vehicles, equipment, and premises are operated in the most energy efficient manner. We will also continue to promote flexible working and encouragement of green commuting.

Planned activity.

In addition to a continuation and/or expansion of the existing carbon reduction measures that have already proven so successful, the Company will introduce additional measures to facilitate the downward trend in carbon emissions.

- The existing employee awareness campaign will be expanded, with more regular and detailed updates.
- We will continue to promote and roll out our existing E-learning Carbon Literacy course within the company.
- We will introduce a quarterly scorecard, for all relevant metrics, which will be reviewed at every Environment Committee meeting.
- The Company aims to achieve a 5% year-on-year reduction in vehicle-based emissions, measured in g/km.
- Improve miles per gallon by 2% across the vehicle fleet.
- Increase the proportion of hybrid / electric vehicles in the fleet to 10% year on year.
- Gas usage at existing workplaces will be reduced by 10%, year on year.
- Electricity consumption will be reduced by 5%, year on year.
- A mandatory Energy Saving Checklist will be introduced across the property portfolio.
- Energy Performance Certificate (EPC) ratings will be a primary consideration when new workplaces are procured.
- In the meantime, monthly monitoring and scrutiny of natural gas usage will be undertaken, to reduce wastage and ensure maximum efficiency.
- A property portfolio review will be undertaken, to consolidate and reduce the size of our bricks and mortar footprint, wherever practicable.

Already implemented fleet improvements will continue to feed through on a phased basis as vehicles reach replacement age. The 'EV Transition' process will continue at pace, with all vehicles in the fleet being regularly analysed on an individual basis, using specialist software, to identify when their daily usage, range, terrain, and other parameters allow them to be replaced with a fully electric version.

Monthly monitoring of several fleet metrics has been introduced and these will continue and expand, to instill employee buy-in and line manager accountability. A comprehensive summary is distributed to all workplaces monthly, and key metrics are included in a monthly ESG Scorecard. These are.

- Average mpg across whole fleet
- Grammes of CO2 per km driven
- Time spent with engine idling.
- Percentage of fleet that is hybrid or electric.

Opportunities to move to more energy efficient premises only occur infrequently, so many smaller efficiencies will be utilised to reduce emissions. These include replacing any end-of-life equipment with more efficient versions, introducing procedural efficiencies and again influencing employee behaviour to improve performance and reduce energy usage.

Consideration will be given to the installation of microgeneration assets, such as photo-voltaic solar panels at suitable workplaces, in consultation with our clients. The installation of

microgeneration schemes such as photo-voltaic solar panels would not be viable at many Company workplaces, but where such installation is an option, this will be diligently explored.

The Company procures electricity via a utilities broker, who negotiates with potential providers to secure the most cost-effective solutions. Sustainability will now become a factor in this process, and we will endeavor to source electricity generated from renewable sources, where this is reasonably practicable. It is hoped to transition fully to renewable electricity as soon as this becomes viable.

Our carbon reductions will be achieved primarily through actual reductions in the volume of carbon emitted, and then through credible and robust offsets for those emissions in scope that cannot be avoided. This involves participating in a scheme(s) that reduces carbon emissions elsewhere, by at least the same amount that is emitted by the Company. We will introduce carbon offsetting at a relatively low level and will incrementally expand it over the subsequent 10 years until net carbon zero is achieved.

Only robust and credible schemes will be used, with accredited and quantifiable benefits. Offsetting will only be used to address residual emissions, after other methods have been utilised to achieve maximum actual carbon reductions. Offsetting could also involve the provision of support, including funding, for our clients' local carbon negative projects, if appropriate.

Our carbon analyst will collate and analyse all carbon emissions, including those falling under Scope 3. They will also work closely with our supply chain and clients to mutually reduce carbon emissions, as well as producing vital management information that will be used by senior leaders to identify appropriate strategies to achieve net carbon zero by 2040.

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).



Mark Hoskin
Chief Commercial Officer

Date: 23.6.2023

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>