# CARBON REDUCTION PLAN

Supplier Name: LEEC Limited
Company Registration: 01459141
Publication Date: October 2024

## OUR COMMITMENT TO ACHIEVING NET ZERO

LEEC Limited is committed to achieving Net Zero emissions by 2050.

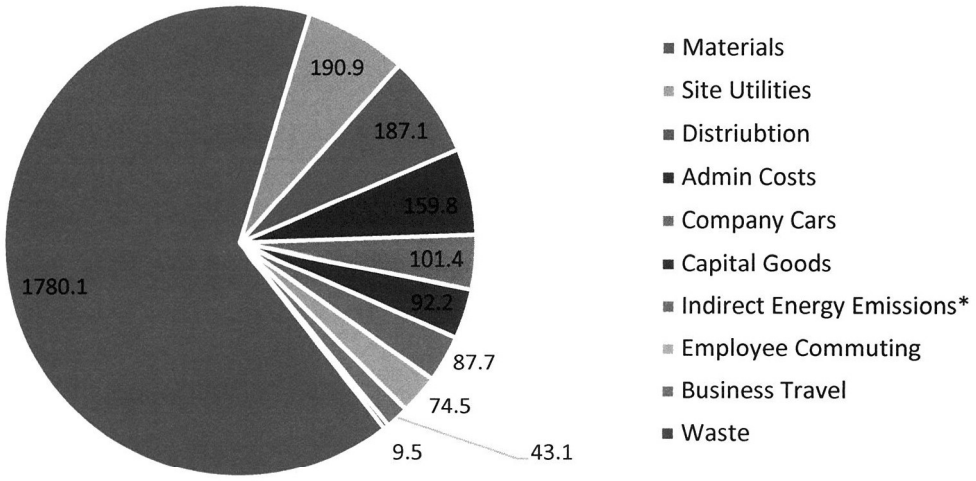
## BASELINE/CURRENT EMISSIONS MEASUREMENT

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. So far, we have measured emissions for two reporting periods (1st May 2022 – 30th April 2023, and 1st May 2023 – 30th April 2024), but will be using the second period as our baseline going forward due to improvements in data quality and the addition of previously unmeasured upstream scope 3 categories. Measurement results from our first reporting period can be found in Appendix A.

| **Baseline/Current Year: 2023-2024** | |
|---|---|
| Scope 1, scope 2 and upstream scope 3 emissions were measured. Downstream scope 3 transportation and distribution emissions were also estimated to fulfil the requirements of the PPN06/21 assessment. We have not yet quantified our downstream impacts, which would include the use and end-of-life treatment of our products. | |
| **EMISSIONS** | **TOTAL (tCO2e)** |
| Scope 1 | 193.6 |
| Scope 2 | Market-based: 98.6<br>Location-based:75.3 |
| Scope 3 (includes all upstream scope 3 categories as well as downstream transportation and distribution) | 2,433.8 |
| **Total Emissions** | **Market-based:** 2,726.1<br>**Location-based:** 2,702.7 |

**Purchased electricity can be measured in two ways. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from the electricity that companies have purposefully chosen (or their lack of choice). A market-based method, therefore, takes into account the purchase of electricity via a verified renewable energy tariff. We have chosen to base our Net Zero target on a market-based methodology.*

EMISSIONS BY CATEGORY ($tCO_2e$)




Our largest source of emissions is our purchase of raw materials for production. We are currently measuring these emissions using spend-based factors rather than supplier or product data, which means that emissions represent averages rather than the emissions of the specific materials we have purchased. Our second largest contributing category is site utilities, which includes our site scope 1 and 2 emissions from gas consumption (101.4 $tCO_2e$), fugitive gas leaks (1.3 $tCO_2e$) and electricity consumption (98.6 $tCO_2e$). Our market-based electricity emissions (98.6 $tCO_2e$) are higher than our location-based emissions (75.3 $tCO_2e$) as 40.4% of the electricity we purchase through our tariff is backed by REGO certificates, whilst the grid average for this reporting period was 59.3%. Distribution is our third most contributing category, currently, this includes incoming goods transportation emissions which we have paid for separately from the good itself, and outgoing good emissions both paid for by us and organised by the customer (although transportation emissions were organised by the customer was estimated due to a lack of data). The distribution category in the future will include emissions associated with the transportation of all incoming goods, but for now, some of these emissions are included in the other procurement categories as part of the overall spend on the good itself.

*Indirect energy emissions (GHG category; Fuel- and Energy-Related Activities) are those that occur upstream of energy use. In the other energy use categories, e.g., business travel and employee commuting, we are accounting for the generation of electricity used or the combustion of fuels used. But these calculations do not consider the other emissions that occur e.g., the generation emissions of electricity lost in the transmission and distribution system or the well-to-tank (extraction, processing, and transportation) emissions of fuels. To ensure we are measuring our full impact, we have included these emissions for all scope 1, scope 2 (mandatory) and upstream scope 3 (optional) energy use activities.

**EMISSION REDUCTION TARGETS**

LEEC Limited is committed to achieving Net Zero by 2050. To achieve Net Zero, we will be aiming to reduce emissions in line with the latest science-based targets (SBTs). SBTs are greenhouse gas reduction goals set by organisations, they are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures.

SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as long-term targets.

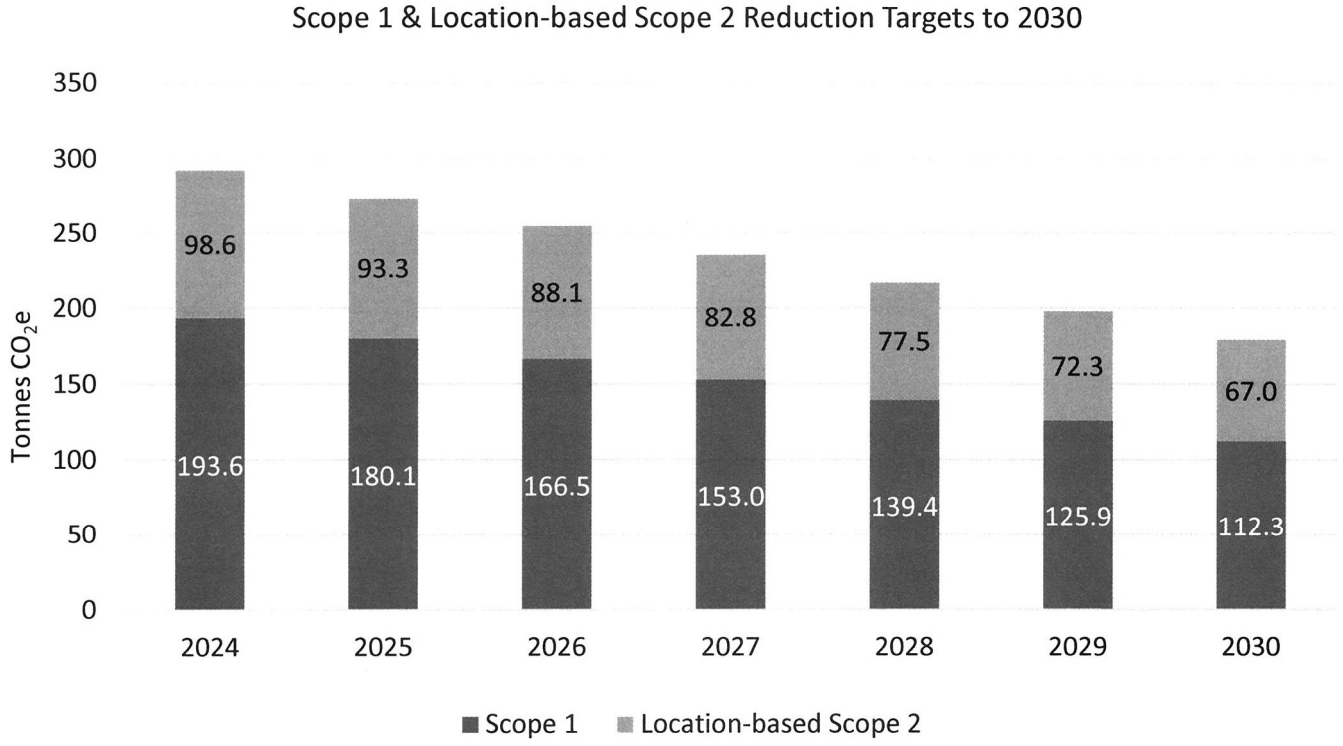
Our near-term targets:

1. Reduce scope 1 emissions by 42% by 2030.
2. Reduce location-based scope 2 emissions by 42% by 2030.
3. Reduce market-based scope 2 emissions by 100% by 2030.
4. Reduce scope 3 emissions per £1 million in revenue (adjusted for inflation) by 42% by 2030.

Our long-term targets:

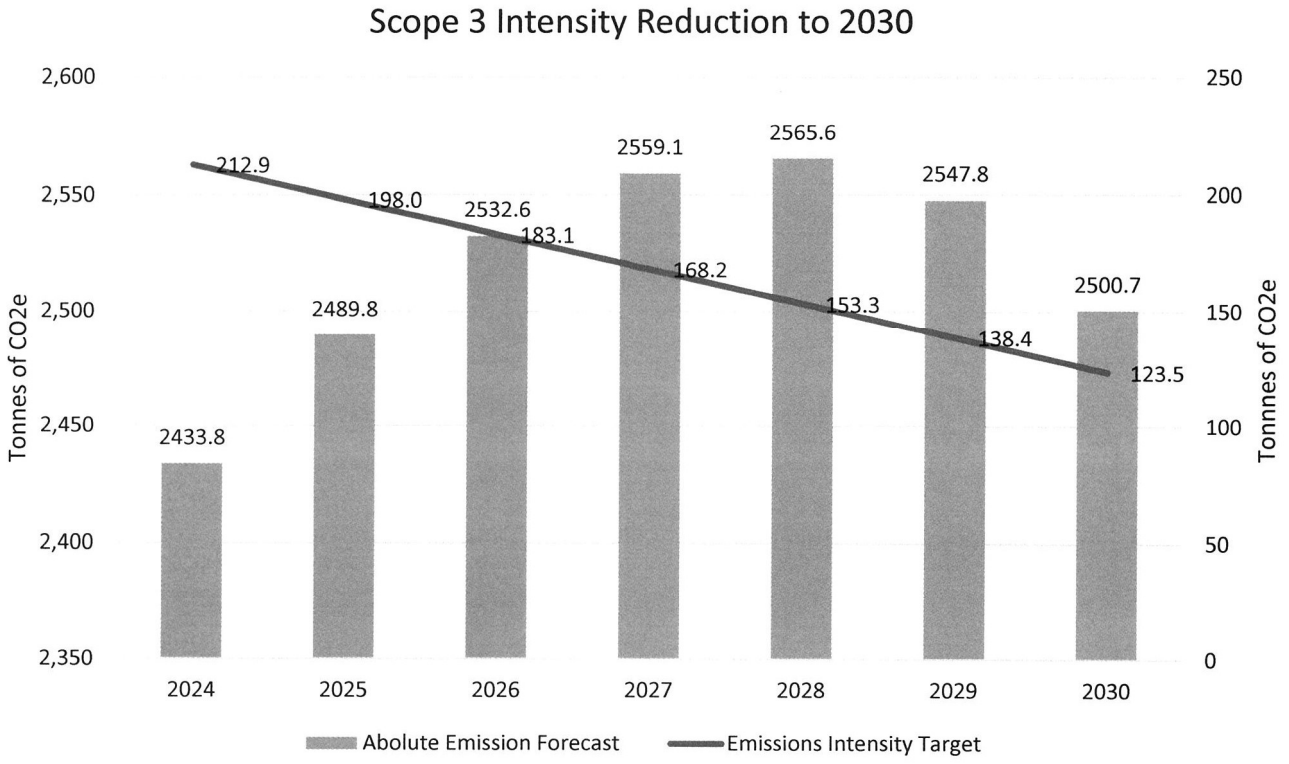
1. Reduce our scope 1 and location-based scope 2 emissions by at least 90% by 2050.
2. Reduce our scope 3 emissions per £1 million in revenue (adjusted for inflation) by at least 97% by 2050
3. Neutralise any residual emissions using verified carbon offsets from 2050 onwards.

To reach our scope 1 and location-based scope 2 target, we will be aiming to reduce our emissions by 7% each year, this is an annual reduction of 13.6 $tCO_2e$ in scope 1 and 5.3 $tCO_2e$ in scope 2.




We have also set a target to reduce our market-based emissions by 100% by 2030 (not shown on the graph), which will involve us switching to a 100% renewable energy tariff before 2030.

Our scope 3 target is to reduce our emissions per £1 million in revenue by 42% by 2030. We have set this type of target as we are expecting to grow considerably over the next few years. To reach this target we will be aiming to reduce our scope 3 emissions per £1 million in revenue by 7% each year, this would be a scope 3 reduction of 14.9 $tCO_2e$ per £1 million in revenue annually.




The above graph shows our intensity targets to 2030, and forecasts our absolute scope 3 emissions (for currently measured emissions) based on a 10% annual growth rate. Under this scenario, absolute scope 3 emissions begin to decrease after 2028 as the cumulative effect of the intensity reduction surpasses the cumulative business growth.

## CARBON REDUCTION PROJECTS

*Completed Carbon Reduction Initiatives*

The following measures and projects have already been implemented before measurement began:

| Activity | Completion Date | Scope |
|---|---|---|
| Measure the carbon impacts of business activities year-on-year and use results to create annual Carbon Reduction Plans. | 2022 | 1, 2 & 3 |
| Revise vehicle policy to incorporate an emissions performance standard clause. | 2022 | 1 |
| Reorganise engineering teams into regional groups to reduce mileage. | 2022 | 1 |
| Commit to switching vehicles to electric or hybrid alternatives. So far, we have added 4 fully electric vehicles and 9 plug-in hybrid vehicles to the fleet. | 2023 | 1 |

*Future Carbon Reduction Plans*

The following measures will be implemented over the next year:

| Activity No. | Activity | Target Date | Category |
|---|---|---|---|
| Scope 1 & 2 | | | |
| 1 | Perform an energy audit on-site to identify any opportunities to increase energy efficiency and reduce unnecessary electricity and gas consumption. We will perform an initial energy audit using a tool such as Business Energy Scotland's energy audit checklist, and consider using an external auditor if we are unable to identify any energy-saving measures. | 2025 | Stationary Combustion, Purchased Electricity |
| 2 | Continuously monitor opportunities to replace fleet vehicles with electric alternatives; we have already identified one ICE vehicle that will be replaced in January 2025. | 2025 | Mobile Combustion |
| 3 | Perform a renewable energy feasibility study onsite. Renewable energy generated onsite will have zero associated emissions and could ensure that electricity emissions do not increase as more EVs are added to our fleet. | 2025 | Purchased Electricity |
| 4 | Once the current energy contract expires (September 2025), explore the possibility of switching to a 100% renewable energy tariff to reduce market-based emissions to 0 $tCO_2e$. | 2025 | Purchased Electricity |
| Scope 3 | | | |

| | | | |
|---|---|---|---|
| 1 | Work to embed sustainability into our procurement processes with the view of being able to assess suppliers based on their sustainability credentials. If we are to reach our Net Zero goals, we will need to ensure we are working with suppliers who are also working to reduce emissions. When we create our supplier assessment process, we will ensure that sustainability-related elements are included. | 2025 | Purchased Goods and Services |
| 2 | Contact our largest suppliers to find out if they have any emissions data to share, if they have set any Net Zero targets and if there are any carbon reduction initiatives underway relating to the products we purchase. | 2025 | Purchased Goods and Services |
| 3 | Maintain an asset list for capital additions to allow the use of available product carbon footprint data in place of spend (where PCF data is available). Many IT manufacturers now produce PCF reports for their goods (e.g. Dell), and this will become increasingly common for other types of capital goods (e.g. vehicles) over the next few years. | 2025 | Capital Goods |
| 4 | Begin to collect data for the measurement of downstream emissions. We will aim to measure these emissions for the first time for the next full measurement period (which will be 1st of May 2025 to 30th April 2026), so before this measurement period begins, we will work with Positive Planet to ensure the systems are in place for the collection of the data required throughout the year. We will need product specifications for products sold within the reporting year, these specifications will need to have information surrounding energy usage (so that use emissions can be calculated) as well as materials composition and weight (so that end-of-life emissions can be calculated). | 2025 | Use of Sold Products, End-of-Life Treatment of Sold Products |
| 5 | We will reach out to our logistics partners to find out if they are able to provide data for our annual carbon footprint measurement (to increase the accuracy of measurements) and to find out if they have committed to any carbon reduction targets. We will also implement a system for the collection of downstream transportation and distribution data i.e., collections (currently this is being calculated using the basic assumption that 5% of outgoing goods were collected, we used this assumption alongside the known upstream transportation emissions to estimate the downstream transportation emissions). | 2025 | Transportation and Distribution |
| 6 | We will provide training for our workforce to ensure teams are equipped with the knowledge and skills required to action our carbon reduction plans. We will consider the different training options and create a plan that involves all team members being involved in a training or engagement event over the next year. | 2025 | All scopes and categories |
| 7 | Develop a core team within the business tasked with overseeing and implementing sustainability initiatives. | 2025 | All scopes and categories |
| 8 | We will look into setting up an EV Salary Sacrifice scheme and | 2025 | Business Travel, |

| | | | |
|---|---|---|---|
| | further promote our already-in-place Cycle-to-work scheme to support staff with sustainable commuting. | | Commuting |

**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 standard[1] and use the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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

This Carbon Management Plan has been reviewed and approved by LEEC Limited Executive Team.

Signed on behalf of LEEC Limited:

Name: Maxine Jones
Position: Finance Director
Date: 29th October 2024

1. https://ghgprotocol.org/corporate-standard
2. https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
3. https://ghgprotocol.org/corporate-value-chain-scope-3-standard

**Appendix A**

Below are our measurement results for the 2022/23 reporting period. These results were adjusted in line with methodology updates since the first report.

| **Previous Measurement: 2022/23** | |
|---|---|
| Scope 1, scope 2 and the following scope 3 categories were measured; upstream transportation and distribution, waste generated in operations, business travel, employee commuting, and downstream transportation and distribution. | |
| **EMISSIONS** | **TOTAL ($tCO_2e$)** |
| Scope 1 | 174.1 |
| Scope 2 | Market-based: 98.5<br>Location-based:67.3 |
| Scope 3 | 354.2 |
| **Total Emissions** | **Market-based:** 626.7<br>**Location-based:** 595.0 |

Total measured emissions between the two reporting years decreased, with increases across scope 1 and scope 2 emissions but a large decrease in measured scope 3 emissions. The majority of the decrease in scope 3 emissions occurred in the transportation and distribution category, however, there were differences in the data types used for the two years which could have led to a difference in emissions, but no operational changes occurred. Commuting emissions also decreased as a result of decreased workforce size.