Carbon Reduction Plan For Leo Workwear

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Our Commitment

Leo Workwear is committed to achieving Net Zero emissions by 2050.

What does Net Zero mean in practice?

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. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year.

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:

- Reduce scope 1 emissions by 42% by 2030.
- Continue to procure 100% renewable electricity up to and beyond 2030.
- Reduce location-based scope 2 emissions by reducing energy demand year on year.
- Reduce Scope 3 emissions by 42% by 2030.
- Begin measuring remaining downstream scope 3 categories from 2025.

Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90% by 2050.
- Neutralise any residual emissions using verified carbon offsets.

<u>Scope 1 emissions:</u> direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from the combustion of fuels in on-site boilers, furnaces, or vehicles.

<u>Scope 2 emissions:</u> indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.

<u>Scope 3 emissions:</u> all other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

Our Carbon Footprint

Baseline & Current 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. We have chosen to set our baseline year as January 2023 - December 2023.

Baseline Year: Calendar Year 2023

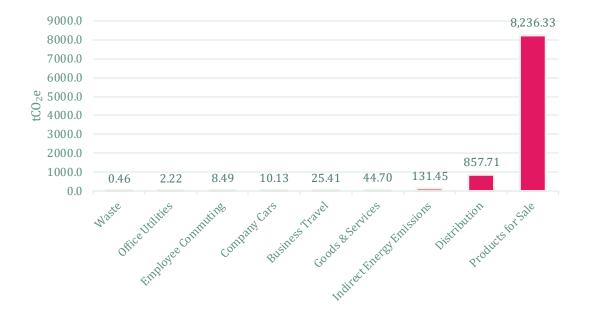
The current reporting year is the first year that we have measured and reported our carbon footprint and will serve as the baseline year for future measurements.

| Emissions | Total (tonnes CO₂e) |
|---|--|
| Scope 1 | 12.36 |
| Scope 2* | Market-based: 0.00 Location-based: 8.33 |
| Scope 3 including: - Purchased Goods & Services - Capital Goods - Fuel & Energy Related Services - Business Travel - Transportation & Distribution (Upstream & Downstream) - Employee Commuting & Homeworking - Operational Waste & Water - Leased Assets (Upstream & Downstream) - Franchises & Investments | 9,304.55 |
| Total Emissions* | Market-based: 9,316.91 Location-based: 9,325.24 |

Our total emissions equate to a **Carbon Intensity Metric of 182.68 tCO₂e per full-time employee equivalent** (FTE) based on 51 FTEs during the baseline period (using market-based emissions).

*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 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.

2023 Carbon Emissions Breakdown



| Measurement Results | | |
|---------------------------|----------|------------|
| By Scope | tonnes | % of total |
| Scope 1 | 12.36 | 0.1 |
| Scope 2 (Location-based) | 8.33 | - |
| Scope 2 (Market-based) | 0.00 | 0.0 |
| Scope 3 | 9,304.55 | 99.9 |
| By Source | | |
| Direct | 12.4 | 0.14 |
| Upstream | 9,312.9 | 99.96 |
| Downstream | 0.0 | 0.0 |
| By Category | | |
| Office Utilities | 2.2 | 0.0 |
| Company Cars | 10.1 | 0.1 |
| Business Travel | 25.4 | 0.3 |
| Employee Commuting | 8.5 | 0.1 |
| Procurement | 8,281.0 | 88.9 |
| Distribution | 857.7 | 9.2 |
| Waste | 0.5 | 0.0 |
| Indirect Energy Emissions | 131.4 | 1.4 |
| Total | | |
| Location-based | 9,325.24 | - |
| Market-based | 9,316.91 | - |

Carbon Reduction

Our Net Zero targets

Leo Workwear is committed to achieving Net Zero by 2050. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year. To keep us on track, we have also set the following near-term targets to 2030.

Our near-term targets:

- Reduce scope 1 emissions by 42% by 2030.
- Continue to procure 100% renewable electricity up to and beyond 2030.
- Reduce location-based scope 2 emissions by reducing energy demand year on year.
- Reduce Scope 3 emissions by 42% by 2030.
- Begin measuring remaining downstream scope 3 categories from 2025.

Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90% by 2050.
- Neutralise any residual emissions using verified carbon offsets.

Progress

There are no previous existing carbon emission reduction targets against which to report progress. In future years we will compared progress against scope 1, 2 and 3 emissions in addition to employee carbon intensity.

Completed Carbon Reduction Initiatives

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

| Activity | Completion Date | Scope |
|---|--------------------|---------|
| Commit to measuring carbon footprint of business activities year on year to gain an understanding of pinch points and regularly be making efficient and direct improvements to reduce these emissions. | 2024 | 1, 2, 3 |
| Appointed Positive Planet to support with calculating baseline carbon footprint and reduction recommendations. | 2024 | 1, 2, 3 |
| Created a Sustainability Team to lead initiatives. This team has been made up of members from different departments to support the roll out of initiatives and management of data, this includes sharing and collaborating throughout the organisation. To support the development of the Sustainability Team, Carbon Literacy Training has been provided to 50% of its members. | 2023 | 1, 2, 3 |
| Developed and implemented the following policies*: Environmental Policy, Ethical Policy, Sustainability Policy, Corporate and Social Responsibility Policy, Sustainable Procurement Policy. *All our policies are reviewed annually to ensure they are up to date and fit for purpose. | 2020 & onwards | 1, 2, 3 |
| Started conducting Lifecycle Assessments for Leo Workwear products. To reduce emissions associated with the production, use and disposal of our products our Ecoviz range now makes up 100% of new production. | 2024 | 3 |
| To facilitate active travel and support our employees in making sustainable commuting decisions we have implemented a cycle to work scheme. | 2018 | 3 |
| Achieved Supply Chain Sustainability School's Gold Membership, demonstrating our engagement and significant commitment to gaining knowledge on sustainability. | 2024 | 3 |
| Joined the Ellen MacArthur Foundation's community to further engage the Leo team in circularity and Ecodesign principles. | 2024 | 3 |

| Achieved ISO 14001 certification. As part of this management system, the organisation has put the following initiatives into place: • LED lighting installed throughout our building and sensor lighting throughout warehouse. • Timed boiler turned off when not necessary to reduce emissions | 2021 & updated annually | 1, 2, 3 |
|---|--------------------------------|---------|
| Installation of solar panels on the roof to reduce energy demand, and associated location-based emissions, from the National Grid. In 2023 we generated ~34,885.3 kWh of solar energy, of which we consumed ~26,041.78 kWh. Avoiding ~7.16 tCO $_2$ e (incl. WTT) emissions from the generation, transmission and distribution of energy from the grid. | 2014 | 2 |
| Switched to a renewable electricity tariff to ensure market-based emissions for the energy we purchase from the National Grid are zero. | 2023 | 2 |
| As of the end of 2023 our company fleet was composed of 28% petrol, 28% diesel and 42% plug-in hybrid vehicles. We continue to increase the proportion of low / no emissions vehicles within our fleet as current vehicles reach their natural end of life. | 2023 | 1 |
| Installation of 2 EV charging points to support the further roll out of electric and hybrid vehicles within our fleet and improve access for employees considering transitioning away from fossil fuels. | 2020 & 2023 | 1 |
| Switched from recycled bags to biodegradable, recyclable and recycled bags to package products, in addition to packaging multiples together. | 2022 | |
| All suppliers are BSCI or Sedex audited and we have introduced Supplier Appraisals to monitor supplier performance on a range of factors including sustainability. | Ongoing, updated in 2024 | |

Future Carbon Reduction Plans

We are committing to action the following emissions management measures and projects in line with our Net Zero targets.

Reduction Plans – Scope 1 & Scope 2

| Activity No. | Activity | Target Date | Category | |
|-----------------|---|----------------|---|--|
| 1 | Consider low-cost options such as reducing the boiler temperature while switched on and adding heat & solar control reflective window sheets to reduce demand for gas. | 2025 | Stationary Combustion | |
| 2 | Review and plan for larger cost solutions to eliminate stationary combustion emissions. Such as an upgraded, efficient boiler system or complete replacement with an electric boiler, solar heating or heat pumps (following an energy audit to assess feasibility and payback periods). | 2035 | Stationary Combustion | |
| 3 | Total location-based electricity emissions (National Grid energy mix) are 8.33 tCO₂e, there is an opportunity to reduce energy use as well as gas use. We will continue to champion behaviour change initiatives within the workplace for reduction of energy and gas demand, including clear messaging for preventing heat leaks, turning off lights, monitors, computers, and other electrical appliances where appropriate. We will assign roles and responsibilities to Sustainability Team members. High-level monitoring of energy use is key to understanding further pinch points. | ongoing | Stationary Combustion, Purchased Electricity | |

| 4 | Continue to implement energy efficiency measures to reduce the overall amount of electricity and gas used. Optimisation of operational procedures is an ongoing process and implementing energy management systems laid out as part of our ISO 14001 certification will need continued review to identify further opportunities. Examples of reduction measures include: - upgrading lighting and introducing more sensor lighting, and aligning sensor times to usage patterns (e.g. 3 minutes for corridors, 20 minutes for working spaces) - installing timers on sockets/equipment - reviewing and renewing inefficient equipment (when at end of life), and actively consider the energy efficiency of equipment when new purchases are required (e.g. laptops, fridges, dishwashers) To foster a collaborative approach invite colleagues from across the organisation to openly explore challenges and barriers to reduction solution implementation. | 2025 | Stationary Combustion, Purchased Electricity |
|---|---|------|--|
| 5 | Conduct a review of company vehicles to outline a strategy and timeline for switching company vehicles to electric or hybrid: - determine which vehicles to electrify first, dependent on when leases expire, which vehicles are used most and which vehicles are most polluting. - determine if fleet size can be reduced by using active transport (such as using e-bikes or e-cargo tricycles for shorter use cases). - In line with the above we are committed to achieve 100% electric or hybrid vehicles by 2026. | 2026 | Mobile Combustion, Purchased Electricity (EVs) |
| 6 | Consider driver-efficiency training for company car users – this should demonstrate a reduction in total fuel/electricity use but is reliant on improving data quality to account for fuel/energy use rather than currently used milage data. | 2027 | Mobile Combustion, Purchased Electricity (EVs) |

Based upon the above completed and planned initiatives, it is projected that Scope 1 & 2 carbon emissions will decrease to **7.169 tCO**₂**e** by 2030.

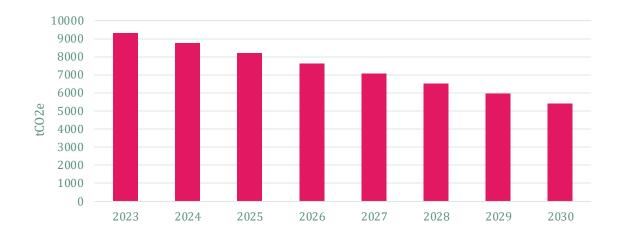
We also aim to implement the further initiatives below to reduce Scope 3 emissions:

| Reduction Plans – Scope 3 | | | |
|---------------------------|--|----------------------------------|--|
| Activity No. | Activity | Target Date | Category |
| 1 | Commit to measuring the remaining downstream Scope 3 categories, meaning that year's carbon emissions measurement will be a full picture of Leo Workwear's carbon impact. Currently, the largest missing category is End-of-life Treatment of Sold Products, meaning that once measured, reduction activities targeted at these categories will be able to be created. | 2025 | Product emissions |
| 2 | Consider training and engagement for the Sustainability Team, leadership, and the wider employee base. Including and not limited to, creating spaces for environmental positive conversations (internal comms, newsletters, Teams etc), certified Carbon Literacy Training for all applicable to roll out to further workforce and share with externals where appropriate. On average, certified learners reduce their carbon footprints by 5-15%, of which ~50% are work-related. | 2025 (Sustainability Team) | Commuting & Home Working Business Travel |
| 3 | Continue to engage with suppliers producing products for sale to gauge their sustainability credentials. | ongoing | Purchased Goods |
| 4 | Complete LCAs for the remaining 57% of products for sale to obtain primary data for each product sold and achieve high data quality when reporting emissions associated with goods for sale. | 2026 | Purchased Goods |
| 5 | Continue to expand the proportion of recycled polyester in sold products annually. This transition will reduce the carbon intensity of products containing polyester while alternative lowemissions materials are explored. Continue to review the use of alternative, low-emission fabrics to ensure a rapid transition to these as they become commercially viable and stay ahead of industry trends. | ongoing | Purchased Goods |

| 6 | We will continue to implement and review our Sustainability Policy whilst requesting all suppliers gain Sedex or BSCI accreditations. To further support the integration of supply chain into our net zero journey we will build upon existing policies and audits to begin requesting emissions information from our suppliers, this will allow us to move away from using spend-based estimations. The results of this reporting will help us inform our strategy for supplier engagement and projected reductions. | 2025 & beyond | Purchased Goods & Services |
|---|--|------------------|----------------------------------|
| 7 | Review logistics and warehousing partners and utilise the above Sustainable Procurement Policy. Continue to work with providers to gather their emissions data, and/or switch to lower-carbon providers. As part of the above Sustainable Procurement Policy prioritise alternative distribution methods to air freight, including combined sea and/or road freight. | 2025 & beyond | Upstream Distribution |
| 8 | Develop and implement a Sustainable Travel Policy to support environmental impact of choices when travelling, staying in hotels and commuting. The priorities within this policy will support active travel and low emission travel options where appropriate. Monitor and consider alternatives to, or optimisation of, air-based travel as a priority and commit to offering support to workforce with options for active travel schemes, such as bike to work or car sharing opportunities. Utilise the emissions travel hierarchy: - Digital communication - Walking and cycling - Public and shared transport - EV's and car sharing/clubs - ICE vehicles and car sharing/clubs - Air travel Consider creative ways to engage and support the workforce to influence change and improve engagement with employee commute surveying (61% for 2023) to gain a more nuanced understanding of trends. | 2025 & beyond | Business Travel, Commuting |
| 9 | Liaise with key suppliers to see whether they can ship with the minimal amount of packaging needed to secure the product. | ongoing | Waste |

Near-Term Reduction Projections (Scope 3)

Based upon the above completed and planned initiatives, it is projected that (as a minimum) Scope 3 carbon emissions will decrease over the next six years from our baseline measurement of $9,304.5 \text{ tCO}_2\text{e}$ to $5,396.61 \text{ tCO}_2\text{e}$ by 2030. This is a **reduction of 42%** and will keep us on track to Net Zero.



Declaration and Sign Off

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

This Carbon Management Plan has been reviewed and approved by Leo Workwear's Executive Team.

Signed on behalf of Leo Workwear:

Peter Turner

Peter Turner

Name: Peter Turner

Position: Founding & Managing Director

Date: 05/06/2024

https://ghgprotocol.org/corporate-standard

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