Carbon Neutrality Management Plan

SPEEDY FUELS SUSTAINABILITY

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Contents

Introduction 3

Nomenclature 4

Organisational commitment 5

Assessment boundary 6

Figure 1: Our value chain & system boundary for the carbon assessment 7

Table 1: An overview of our locations and buildings 8

Carbon neutrality management hierarchy 9

Figure 2: Our GHG reduction targets 10

GHG reduction activities 11

Figure 3: Our carbon reduction roadmap from our 2023/24 footprint 12

Figure 4: Four quadrant matric used for suppliers and subcontactors categorisation 13

Progress against targets 17

Figure 5: The scope 1 emissions in the reporting year in comparison to targets 17

Figure 6: The scope 2 emissions in the reporting year in comparison to targets 18

Figure 7: The scope 3 emissions in the reporting year in comparison to targets 18

Monitoring & evaluation 19

Introduction

Purpose

This report is a compliment to the Business Carbon Assessment that presents the results of a comprehensive analysis of the greenhouse gas emissions (GHG) associated with our operations.

The purpose of the Carbon Neutrality Management Plan (CNMP) is to provide a structured and strategic approach to achieving and maintaining carbon neutrality. It outlines the specific actions, timelines, and methodologies that we will employ to reduce our GHG emissions, enhance GHG removals, and offset any residual emissions.

By adhering to the principles and requirements set out in the ISO 14068 standard, the CNMP ensures that our efforts are scientifically robust, transparent, and aligned with international best practices. The plan also serves as a commitment from our top management to integrate sustainability into our core operations and decision-making processes. Furthermore, the CNMP aims to support us in our journey towards complete (including Scope 3) net zero emissions by 2050, building on our existing achievements in carbon neutrality as verified by third-party assessments.

The CNMP includes detailed pathways and targets for both short and long-term emission reductions, leveraging renewable energy, fuel switching, and efficiency improvements. It also addresses the importance of stakeholder engagement, including collaboration with suppliers and customers, to drive broader environmental benefits. Implementing this plan demonstrates our dedication to mitigating climate change and contributing to a sustainable future.

Scope and Boundary of the CNMP

The scope and boundary of the CNMP encompasses all operational activities and facilities under our control, following the operational control approach. This includes all offices, commercial premises, vehicles, goods, and services that we manage directly.

By defining a clear and comprehensive boundary, the plan ensures that all relevant sources of GHG emissions are accounted for, including:

- Scope 1 (direct emissions from owned or controlled sources)
- Scope 2 (indirect emissions from the generation of purchased electricity)
- Scope 3 emissions (other indirect emissions from activities such as upstream and downstream transportation and distribution)

This inclusive approach aligns with the ISO 14068 standard, which emphasises the importance of a holistic view of carbon neutrality. By setting these boundaries, we can accurately measure our carbon footprint, identify key areas for emission reductions and implement targeted strategies to achieve our carbon neutrality goals. The scope and boundary also facilitates transparency and accountability, ensuring that our carbon neutrality claims are credible and verifiable. This comprehensive coverage is essential for driving meaningful progress towards our commitment to mitigating climate change and achieving complete net zero emissions by 2050.

Nomenclature

Term	Description
GHG	Greenhouse gases, gases that trap heat in our atmosphere. GHG include carbon dioxide, methane, nitrous oxides, and fluorinated gases.
Embodied Carbon	The total GHG emissions generated to produce a product; it includes those from extraction, manufacture, processing, transportation, and assembly of every component.
Carbon Equivalent	The effect on global warming of a greenhouse gas (GHG) relative to that of CO_2
Zero Carbon	The absence of GHG emissions
Greenhouse Gas Protocol	The GHG Protocol Corporate Accounting and Reporting Standard which provides requirements and guidance to prepare a corporate level GHG emissions inventory
Net Zero Carbon (NZC)	The sum effect of combining actions to reduce GHG emissions with actions to offset them
Carbon Offsetting	A reduction in emissions of GHG to compensate for unavoidable emissions
Global Warming Potential	The heat absorbed by any GHG as a multiple of the equivalent in carbon dioxide
IPCC	The Intergovernmental Panel on Climate Change. It provides regular scientific assessments on climate change to policy makers
AR6	The sixth assessment report of the IPCC. The most recent assessment report is 2021
tCO_2e	Notation for tonnes of carbon dioxide equivalent emissions
kg CO_2e	Notation for kilograms of carbon dioxide equivalent emissions
ICE	The Inventory of Carbon and Energy
Scope 1	Direct GHG emissions are those that occur from sources that are owned or controlled by the company such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc. emissions from chemical production in owned or controlled process equipment
Scope 2	Indirect GHG emissions account for GHG emissions from the generation of imported energy such as purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated
Scope 3	Other indirect GHG emissions. The GHG Protocol Corporate Accounting and Reporting Standard defines Scope 3 as an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples of Scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services. BS EN ISO 14064 separates out Scope 3 emissions into categories 3 to 6 covering indirect emissions from transportation, products used, use of products from the business and other sources respectively
The group	The Crown Oil group of companies, which includes Crown Oil Ltd, Speedy Fuels and Lubricants Ltd, Beesley Fuels Ltd, Nationwide Fuels and Lubricants Ltd and Crown Oil Environmental Ltd.

Organisational commitment

Leadership & commitment

The leadership and commitment of our company are pivotal to achieving carbon neutrality. Top management demonstrates accountability by publicly committing to net zero targets and integrating these goals into core governance documents.

Competent individuals have been appointed to oversee actions towards our net zero commitments, ensuring alignment between policy and practice. Strategic direction, oversight, and necessary resources, including financial support, are provided to meet these targets. Additionally, incentives are implemented to drive progress, with executive compensation linked to achieving milestones.

Regular communication on plans and progress, along with actions to promote equity, biodiversity, and deforestation-free supply chains, underscores the group's dedication to sustainability and climate action.

A statement from management

"In 2020, we embarked on a crucial journey – a journey towards a more sustainable future for our company and our planet. We recognised the urgent need to address climate change and made a firm commitment to minimise our environmental impact. Today, I am reaffirming that commitment and outlining our ambitious targets for achieving net zero and maintaining carbon neutrality.

Our first target is to achieve net zero Scope 1 and 2 greenhouse gas emissions by 2030. This is a significant undertaking, and we understand the challenges involved. Our journey began in 2020 with a thorough assessment of our carbon footprint, allowing us to identify key areas for improvement. Since then, we have implemented several initiatives, including energy efficiency upgrades across our facilities and a focused effort to reduce waste.

A cornerstone of our strategy to achieve our 2030 target is the transition to low carbon fuels. We recognise the vital role these fuels play in bridging the gap to a fully sustainable future. Hydrotreated Vegetable Oil (HVO) has been instrumental in our progress so far, significantly reducing emissions from our vehicle fleet. We believe that HVO and other similar fuels are essential for achieving our short-term targets while we continue to explore and develop the next generation of low-carbon energy solutions.

Looking beyond 2030, we are committed to addressing Scope 3 emissions in line with the UK government's target of net zero by 2050. We understand that these indirect emissions, arising from our supply chain and other business activities, represent a substantial portion of our overall impact. We are actively engaging with our suppliers to encourage them to adopt sustainable practices and reduce their own carbon footprint. We are also exploring innovative solutions to minimise emissions from transportation, distribution, and the lifecycle of our products and services.

Transparency and accountability are paramount to our approach. We are committed to verifying our greenhouse gas emissions in line with ISO 14064-1 standard, ensuring the accuracy and reliability of our data. Furthermore, we will continue verification of carbon neutrality to the ISO 14068-1 standard, demonstrating our commitment to credible and internationally recognised best practices.

Our journey to net zero and carbon neutrality is an ongoing process. We are constantly seeking new and innovative ways to reduce our environmental impact. We are investing in research and development of future low-carbon fuels and technologies, recognising that continuous improvement is essential. We believe that by working together – with our employees, suppliers, customers, and the wider community – we can create a more sustainable future for all. This commitment is not just about reducing our carbon footprint; it's about building a better future for generations to come."

Mark Andrews

Mark Andrews, Director of the Crown Oil Group

Assessment boundary

The Crown Oil Group is a leading supplier of fuels, oils and lubricants. We use our company-owned fleet to distribute purchased oil-based products to our customers. We understand that climate change poses a significant challenge to the environment, society, and the natural world, necessitating mitigating measures at international, national, and local levels.

Global warming impacts businesses, natural systems, and communities. This is caused by an increase in greenhouse gas (GHG) emissions, known colloquially as carbon emissions. However, from first-hand experience with customers, we are aware of the reliance society has on oil-based products for daily life, even though fossil fuels are a primary source that produces GHG emissions. Thus, we are in a unique position to make a positive impact on the environment in the way we deliver fuels and work towards influencing society to transition to a net zero carbon world.

Emission boundary

It is important to set an emissions scope boundary in accordance with the operational control approach previously stated. Figure 1 has presented these boundaries for the quantification of our GHG emissions.

Locations

The group operates from seven facilities, with three of these located in Bury, Greater Manchester. Our main base is the Oil Centre which is also our main distribution depot. The other two buildings are in close proximity to the Oil Centre and are used as offices (Crown House and Bridge House).

We also operate out of four distribution depots in Doncaster, Birmingham and London (two locations). During the FY22/23, we expanded our operational footprint through the acquisition of a new facility, which, following its purchase, underwent extensive refurbishment and construction processes; as a result of these significant upgrades and modifications, the facility remained non-operational throughout the reporting period.

Fig 2: Our value chain & system boundary for the carbon assessment

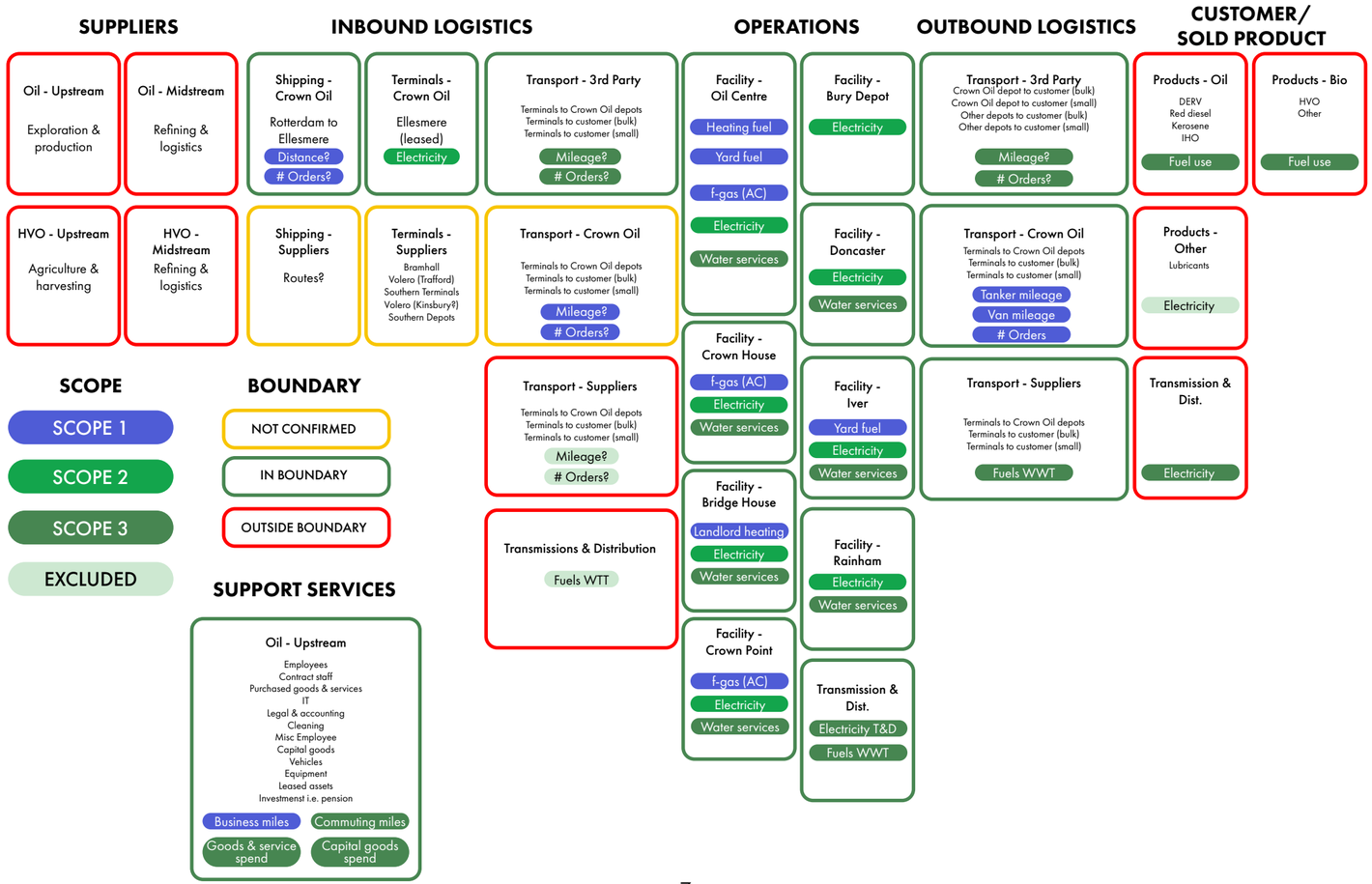


Table 4: An overview of our locations and buildings

Name of facility	The Oil Centre	Crown House	Bridge House	Doncaster	Oldbury	Iver	Rainham	Borden Way
Companies operating at facility	Crown Oil Fuels and Lubricants, Beesley Fuels Ltd, Speedy Fuels Ltd, Crown Oil Environmental Ltd, Nationwide Fuels and Lubricants	Crown Oil Fuels and Lubricants, Beesley Fuels Ltd, Speedy Fuels Ltd, Crown Oil Environmental Ltd, Nationwide Fuels and Lubricants	Crown Oil Fuels and Lubricants, Beesley Fuels Ltd, Speedy Fuels Ltd, Crown Oil Environmental Ltd, Nationwide Fuels and Lubricants	Crown Oil Fuels and Lubricants	Beesley Fuels Ltd	Speedy Fuels Ltd	Speedy Fuels Ltd	Crown Oil Environmental Ltd
Location	Bury	Bury	Bury	Doncaster	Birmingham	London	London	Bury
Purpose	Main base	Office	Office	Distribution depot	Distribution depot	Distribution depot	Distribution depot	Office & vehicle maintenance
Number of buildings	2	1	1	1	2	2	1	2
Owned/ Leased	Owned	Owned	Leased	Leased	Owned	Leased	Owned	Owned

Carbon neutrality management heriarchy

GHG emission reductions

The Carbon Reduction Hierarchy prioritises direct actions to reduce GHG emissions at their source. This involves implementing measures to enhance energy efficiency, transitioning to low-carbon technologies, and optimising operational processes to minimise emissions. By focusing on these primary reduction strategies, organisations can achieve significant and sustainable decreases in their carbon footprint. The group adheres to this hierarchy by prioritising emission reductions within its operational boundaries before considering other measures.

Once all feasible emission reduction measures have been implemented, the next step in the Carbon Reduction Hierarchy is to enhance GHG removals. This involves activities that actively remove carbon dioxide from the atmosphere, such as reforestation, soil carbon sequestration, and the deployment of carbon capture and storage technologies. These removal efforts are essential for balancing any remaining emissions that cannot be eliminated through reduction alone, ensuring a comprehensive approach to achieving net zero emissions.

The final tier of the Carbon Reduction Hierarchy involves offsetting residual emissions that cannot be reduced or removed. This is achieved by purchasing high-quality carbon credits from verified projects that focus on GHG removals. These credits are used to counterbalance the remaining emissions, ensuring that the overall carbon footprint is neutralised. It is crucial that offsetting is only used as a last resort, after all possible reduction and removal measures have been exhausted, to maintain the integrity and effectiveness of the carbon neutrality strategy.

Timescale for implementation

The CNMP for the group outlines a clear timeline for achieving carbon neutrality and maintaining it through a series of strategic actions. The overall timeline spans from the baseline year of 2020/21 to the target year of 2050, with key milestones set for 2021/22, 2028, 2030, 2040, and 2050. This structured approach ensures that all actions are timely, coordinated, and effectively managed to achieve the desired outcomes.

Baseline and target year

The baseline year for the group's carbon neutrality efforts is 2020/21, during which the total emissions were quantified at 8,934 t CO_2e. The target year for achieving carbon neutrality was set for 2021/22. This baseline serves as the reference point for measuring progress and setting future targets. The emissions are broken down into Scope 1, Scope 2, and Scope 3 categories, providing a comprehensive understanding of the company's carbon footprint.

Methodology for carbon footprint quantification

This business carbon assessment (organisational carbon footprint) shall be completed every year for ISO 14068-1 verification. Emissions shall be calculated in accordance with the international standard BS EN ISO 14064-1, a similar methodology to following that of the World Resources Institute GHG Protocol - A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol). An operational control approach is taken, ensuring everything in our operational control is accounted for in our carbon footprint.

Carbon equivalent data conversions shall be calculated in accordance with greenhouse gas reporting: published each year by the UK Government Department for Business, Energy and Industrial Strategy and the UK Department for Environmental Food and Rural Affairs (DEFRA). Hereafter, this database is referred to as DEFRA.

Global Warming Potentials are stated from IPCC Sixth Assessment Report, 2021 (AR6). Spend-based data was analysed through utilising Standard Industrial Classification (SIC) and Classification of Individual Consumption According to Purpose (COICOP) categories.

Factors were provided from the 2021 DEFRA dataset in cooperation with the University of Leeds. An inflation adjustment rate was accounted for at a rate of 1.185. SIC emission factors are calculated based on economic output and organisational carbon footprints. COICOP factors are calculated based on consumer spending and product footprints. Electricity and gas usage of rented shared office spaces was calculated from estimated area occupancy and median gas/electricity usage from the non domestic National Energy Efficiency Data-Framework (ND-NEED) 2023.

Carbon neutrality pathway and targets

Carbon neutrality target year and future maintenance

The Crown Oil Group achieved carbon neutrality in the target year 2021/22. We are committed to maintaining this status through continuous monitoring, reduction efforts, and offsetting residual emissions. We will regularly review and update our carbon management strategies to ensure ongoing compliance with carbon neutrality standards and to address any emerging challenges or opportunities.

We will calculate our organisational carbon footprint annually using BS EN ISO 14064-1 and the GHG Protocol, covering Scope 1, Scope 2, and Scope 3 emissions.

Any unavoidable emissions will be offset through credible carbon offset projects like reforestation and renewable energy initiatives. We will also focus on reducing emissions at the source through energy efficient technologies and sustainable energy sources, ensuring financial sustainability by implementing cost-effective measures and exploring government incentives. By balancing environmental responsibility with financial prudence, we aim to set an example in the energy sector, demonstrating that sustainable practices benefit both the planet and the bottom line.

Short-term targets

- To achieve a 42% reduction in GHG emissions across all scopes well within 10 years from the baseline year, aiming for 2028

This translates to a significant reduction by 2028 that shall work towards combatting global rising temperature.

Long-term targets

- To achieve operational net zero for Scope 1 and Scope 2 emissions by 2030
- To reduce Scope 3 emissions by 75% to 1,472 t CO_2e
- To complete net zero, including only residual emissions for Scope 3, by 2050

These targets are ambitious yet achievable, ensuring we remain at the forefront of sustainability efforts.

Target year for residual emissions

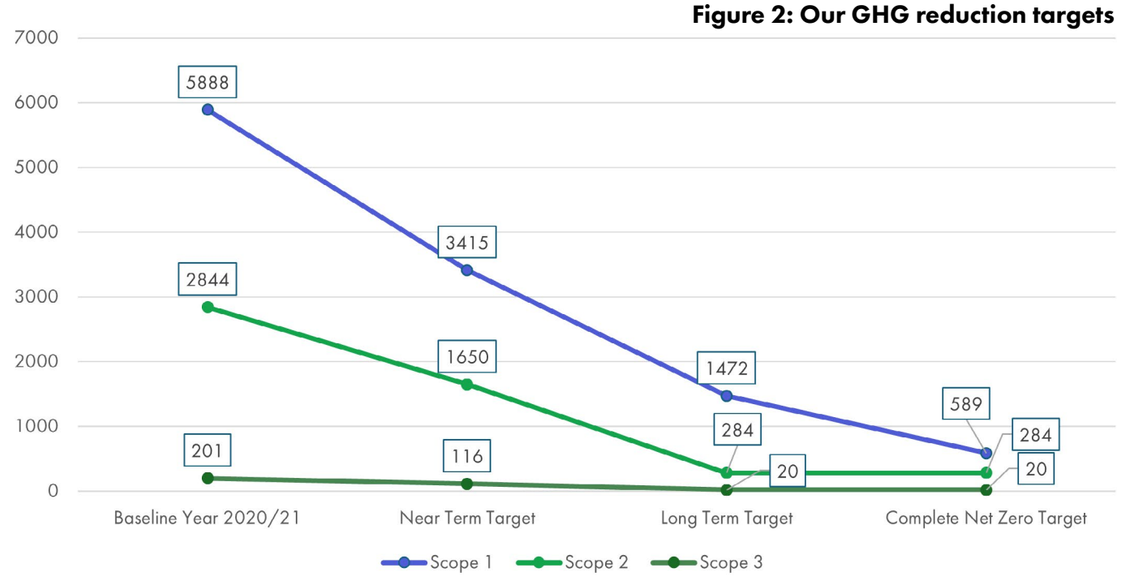
The target year by which only residual GHG emissions will remain is clearly defined as 2030 for Scope 1 and Scope 2 emissions, and 2050 for Scope 3 emissions. This phased approach allows us to systematically reduce our carbon footprint while implementing effective GHG removal and offsetting strategies.

Figure 2 clearly illustrates our ambitious GHG reduction targets across Scope 1, Scope 2, and Scope 3 emissions.

- For Scope 1 and Scope 2, the company aims to achieve operational net zero by 2030
- For Scope 3, the target is set for complete net zero by 2050, addressing all residual emissions

This phased approach signifies our commitment to substantial emissions reduction efforts and underscores the company's long-term sustainability strategy.

Figure 2: Our GHG reduction targets



GHG reduction activities

Near-term activities (before 2028)

To align with Science Based Targets and achieve a 42% reduction in GHG emissions by 2030, we have implemented and will continue to implement the following activities.

Transition to low-carbon fleet

- Switching to HVO: we have transitioned our fleet to run on Hydrotreated Vegetable Oil (HVO), significantly reducing emissions from mobile combustion
- Electric Vehicles (EVs): we are progressively replacing our van fleet with EVs as leases expire. This includes installing charging infrastructure at our facilities and subsidising home chargers for employees who take company vans home

Renewable energy sourcing

- Eco tariffs: we have switched to Ofgem certified eco tariffs with REGO certifications for its electricity supply

Onsite renewable energy

- Solar PV installation: we are installing solar photovoltaic (PV) systems across our facilities to generate renewable electricity onsite. This initiative aims to reduce reliance on grid electricity and further lower Scope 2 emissions

Energy efficiency improvements

- Heating controls: Improved heating controls have been installed in office buildings to reduce energy waste. This includes centralised AC controllers and smart boiler controllers
- Building insulation: Additional insulation and draught proofing have been implemented at the Oil Centre and other facilities to reduce heating demand
- LED lighting: Upgrading to LED lighting and installing automatic lighting controls to reduce electricity consumption

Waste management

- Zero waste to landfill: we working towards achieving zero waste to landfill certification, ensuring that 99% of waste is either reused, recycled, composted, or used for energy recovery Business travel and commuting
- Incentives for sustainable travel: we are incentivising employees to use public transport, carpool, or switch to electric vehicles for business travel and commuting. Competitions and rewards are being used to encourage sustainable travel choices

Long-term targets (by 2050)

For the long-term, we aim to achieve a 90% reduction in GHG emissions and reach complete net zero by 2050.

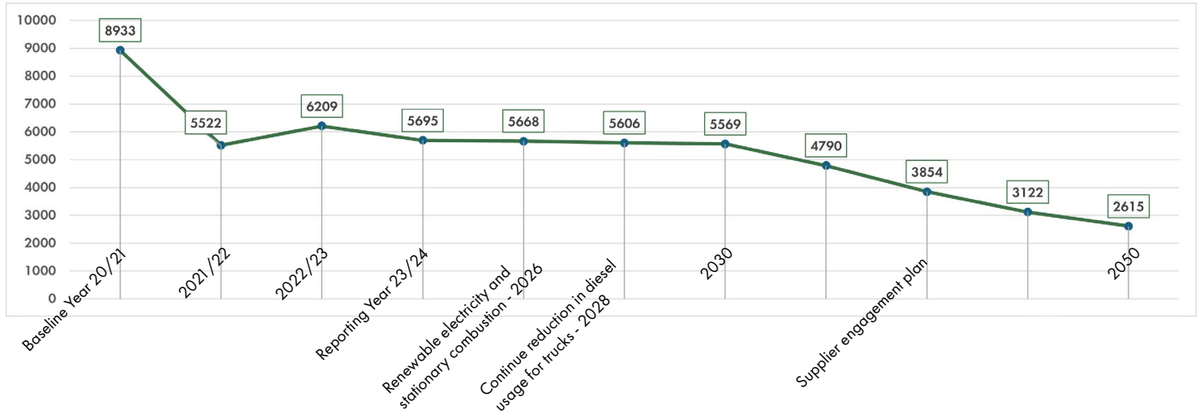
The specific activities to reach these targets are not set in stone, as they will depend on technological advancements and supplier capabilities.

Each year, we will review and update its strategies based on the latest research and developments, ensuring that the most effective measures are implemented. We are considering a comprehensive Supplier Engagement Plan, which includes collaborating with suppliers to calculate their carbon footprints, developing supplier-specific emission factors, and encouraging the adoption of carbon reduction plans (further detailed below).

Establishing long-term partnerships with suppliers will be crucial for continuously improving carbon reduction efforts, setting joint targets, and sharing best practices. Ongoing research will be conducted annually to identify new technologies and practices that can further reduce emissions, including exploring innovative solutions for carbon capture and storage, alternative fuels, and Figure 3 outlines the carbon reduction strategies that will enable us to reduce GHG emissions in the long-term. From the 2020/21 baseline year, 70.7% of the total emissions can be reduced through the implementation of the strategic carbon reduction initiatives. However, at this stage in our journey, the most significant emission reductions are only achievable through Supplier Engagement Plans.

Activities such as raising carbon awareness and the implementation of supplier requirements to include a carbon reduction plan in procurement terms are becoming increasingly popular. The necessary residual emissions that remain could be offset to achieve net zero carbon.

Figure 3: Our carbon reduction roadmap



We have previously set carbon reduction targets to reduce Scope 1 and 2 emissions to zero, then subsequently develop a Scope 3 reduction target. Specific projects to achieve these goals include:

- Switching all fleet fuel from diesel to HVO
- Switching van and car fleet vehicles to electric
- Using heat recovery ventilation systems
- Installing onsite Solar PV
- Improving heating controls
- Switching from oil to electric heating
- Switching yard equipment (such as forklifts) to electric
- Installing additional insulation and draught proofing
- Upgrades to fuel pump motors
- Replacement of lighting with LED lights
- Installation of automatic lighting controls

These projects are key in terms of energy saving and reducing Scope 1 and 2 emissions. We are also looking at developing a Scope 3 reduction program by collecting Scope 3 data in more detail.

Currently, the spend-based method is used to calculate GHG emissions from purchased goods and services and capital goods. Although this method is considered appropriate for this carbon assessment, it does not provide the granularity required to develop a targeted carbon reduction plan for Scope 3 emissions.

Carbon reduction opportunities

2026 - Use renewable and alternatives for kerosene heater

We have already made significant strides in reducing our emissions from purchased electricity. To further minimise this, we can invest in renewable energy sources (self-generation or by procuring REGO-certified electricity) for the remaining locations, then the market based calculates would see a reduction of 14 t CO_2e per year in comparison to our current carbon footprint.

Replace kerosene heater with electric alternative or renewable gas (further details below)

Calculations have been conducted using the current reporting footprint and removing the emissions from the kerosene heater. The removal of kerosene heating could save us a further 15 tCO_2e per year.

Overall, the next step in reducing emissions aimed at reducing both stationary combustion and emissions from electricity generation would reduce emissions by 29 tCO_2e per year.

2028 – Continue reduction in diesel usage for trucks

We must continue to reduce mobile combustion from the use of diesel fuel for trucks and from Harvest Energy Fuel Cards. Therefore, continuing the push towards HVO and electric vehicles is pivotal.

This can only be achieved by enabling processes that promote drivers to refuel at our depot. If we managed to reduce the emissions from diesel use in our master fleet of trucks and replace it with HVO then we would reduce emissions by 129 tCO_2e. This includes a reduction in Scope 3 category 3, from fuel and energy related activities not included in Scope 1 or Scope 2.

We can further reduce emissions by incentivising a reduction in business travel and employee commuting by incorporating competitions for employees to win prizes by choosing methods of travel with sustainability in mind and reducing emissions.

Supplier Engagement Plan

Reducing emissions from Capital Goods and Purchased Goods and Services can be difficult when using the Environmentally Extended Input-Output (EEIO) spend-based model with SIC codes. This is because the EEIO model is based on economic input-output data, which is often aggregated at a high level and may not accurately reflect the specific emissions associated with a particular product or service.

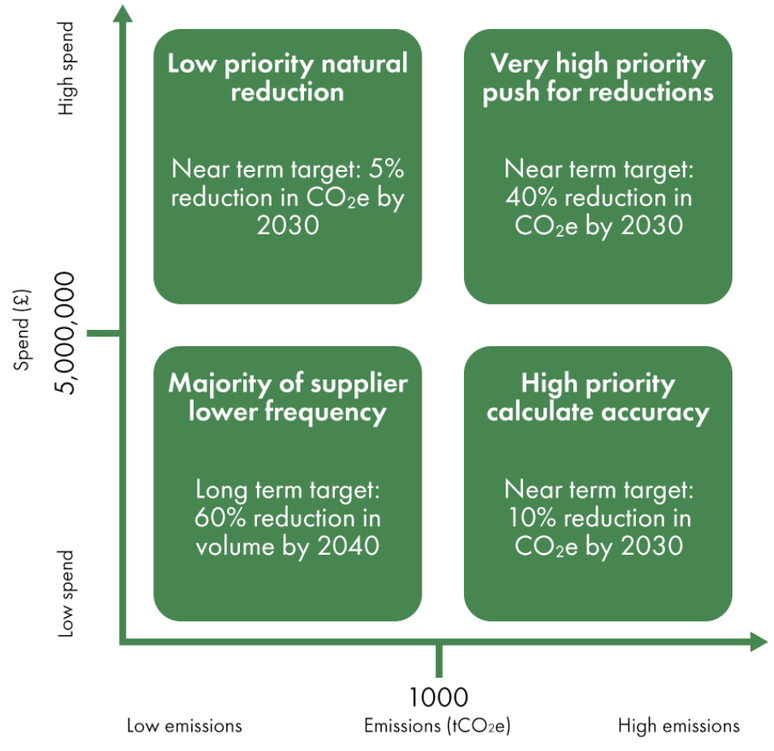
Additionally, SIC codes are a classification system for industries, and may not accurately capture the emissions associated with suppliers within an industry. This can make it difficult to accurately quantify emissions and implement effective reduction strategies.

Scope 3 emissions emanating from Capital Goods and Purchased Goods and Services represents 36.44% of our annual emissions. To attain net zero, we need to find a strategic plan for our supply chain.

A Supplier Carbon Reduction Plan can support this, which introduces a methodical process for calculating emissions at a supplier-specific level. This plan involves a categorisation of suppliers into four distinct quadrants (Figure 4), allowing focus on emission-intensive partners.

Following this categorisation, a targeted survey will be disseminated to our top-tier suppliers, aiming to gain insights into their current carbon footprint and ascertain their commitment to future emission reduction goals. Additional work with suppliers and subcontractors to understand their goals will enable us to accurately forecast the reduction of Scope 3 emissions.

Figure 4: Four-quadrant matrix used for suppliers and subcontractor categorisation based on amount spend (£) and emissions (tCO_2e).



The 4 quadrants

1. Low Spend, Low Emissions: This quadrant typically encompasses a multitude of suppliers and subcontractors with whom the company has minimal financial transactions and who contribute a small fraction to the overall emissions. Most companies find an abundance of suppliers and subcontractors in this category. It is often more practical to reduce the frequency of transactions with these suppliers and subcontractors, and focus on consolidating spend with fewer, more strategic partners.
2. Low Spend, High Emissions: Suppliers and subcontractors in this quadrant represent those with whom the company spends less but which have a disproportionately high emissions profile. These suppliers and subcontractors should be approached cautiously, as the company's limited purchasing power offers less leverage to influence their emission reduction practices. The goal here is to accurately calculate emissions and understand the company goals to sustainability.
3. High Spend, Low Emissions: Suppliers and subcontractors falling into this category are significant in financial terms but are responsible for lower emissions. While these suppliers and subcontractors are important from a procurement standpoint, they can be temporarily set aside to concentrate on suppliers and subcontractors with higher emissions impact.
4. High Spend, High Emissions: This quadrant is typically reserved for a select few suppliers and subcontractors with whom the company has substantial financial dealings and who are also responsible for a large share of emissions. These key suppliers and subcontractors should be treated as partners in sustainability, working collaboratively to set and achieve tangible emission reduction targets.

In essence, the strategy is to focus efforts where they will have the most impact. By concentrating on suppliers and subcontractors that fall into the two high emissions quadrants, we can more feasibly manage our supplier relationships and implement effective measures to achieve our sustainability objectives.

Stage 2 focuses on enhancing the accuracy of carbon emissions tracking by transitioning from spend-based calculations to activity-based data, while also engaging suppliers and subcontractors through carbon reduction plan surveys to gain insights into our sustainability initiatives, challenges, and strategies for reducing emissions.

The questions on the opposite page should be asked as part of a supplier survey to help us transition to more accurate calculations. Following this, effective communication with the supply chain is crucial to foster collaboration towards achieving sustainability goals.

A clear and engaging communication strategy is essential to ensure supplier understanding and cooperation in the implementation process. The initiative may begin with a strong message, outlining the importance of sustainability and our prioritisation within the company.

This initial communication would demonstrate our commitment to sustainability, set the context for the initiative, clarify expectations, and provide resources to help suppliers and subcontractors understand the requirements.

Subsequent updates and reminders would be delivered regularly by procurement or sourcing teams, who serve as the primary points of contact for suppliers and subcontractors. These communications should reinforce the significance of carbon reduction targets, provide clear timelines and deliverables, address common questions, and direct suppliers and subcontractors to additional resources as needed.

This structured approach will ensure effective and ongoing engagement with suppliers and subcontractors throughout the process.

Carbon reduction plan survey example

1. Carbon metrics - what is Scope 1, 2 and 3?

Baseline year - [insert baseline year]

Scope 1	Scope 2	Scope 3
[Insert scope 1 tCO_2e]	[Insert scope 2 tCO_2e]	[Insert scope 3 tCO_2e]

Current year emissions

Scope 1	Scope 2	Scope 3
[Insert scope 1 tCO_2e]	[Insert scope 2 tCO_2e]	[Insert scope 3 tCO_2e]

2. Targets

Scope 1	
Scope 2	
Scope 3	

3. Do you have a carbon reduction roadmap?

Yes [ ] If yes, please provide a copy

No [ ]

4. Milesones plan (12-month look ahead - Provide a separate milestone plan document if applicable)

Ref #	Activity	Start date	End date
1			
2			
3			

5. Financials: (Please provide past 3 years annual turnover)

Ref #	[Insert year]	[Insert year]	[Insert year]
Turnover	[Insert turnover]	[Insert turnover]	[Insert turnover]
Carbon spend % V turnover	[Insert %]	[Insert %]	[Insert %]

Implementing effective carbon pricing

For the company

Carbon pricing can significantly complement and enhance our efforts on energy efficiency programs, renewable energy adoption, and emissions reduction targets - by creating a clear financial incentive for further emissions reductions and by ensuring that sustainability goals are integrated into our financial decision-making.

By adopting a carbon pricing mechanism, such as an internal carbon fee, carbon tax, or emissions trading system, we can internalise the environmental cost of our emissions, driving more sustainable decision-making across our operations.

An internal carbon price would help us assess and integrate the environmental impact of our activities into financial decision-making, such as capital investment, product pricing, and resource allocation.

For example, when evaluating new projects or investments, we could apply a carbon fee to the emissions associated with each option, incentivising the selection of low-carbon alternatives. This would encourage investments in energy efficiency, renewable energy, and low-carbon technologies, all of which are crucial for reducing emissions and advancing toward net-zero goals.

Implementing carbon pricing also fosters long-term cost savings by identifying areas of inefficiency, such as energy-intensive processes or high-emission materials, which can be optimised or replaced with more sustainable options. On a long-term basis, this can result in lower operational costs, improved energy efficiency, and enhanced resilience to rising carbon prices and potential future carbon regulations. Moreover, carbon pricing strengthens the company's alignment with global climate policies and helps future-proof its operations against regulatory changes. Carbon pricing provides a proactive way to prepare for carbon taxes or emissions trading schemes that could affect costs in the future.

By integrating carbon pricing now, we position ourselves as a leader in sustainability, improving our competitiveness in a market that is increasingly prioritising climate action.

Finally, adopting carbon pricing aligns financial and environmental objectives by directly linking emission reductions to business value. As we reduce our emissions, it not only contributes to global climate goals but also unlocks financial benefits from improved resource efficiency, innovation, and risk mitigation. This strategy can play a critical role in helping us achieve net zero emissions by guiding business decisions towards more sustainable practices, reducing operational and supply chain emissions, and supporting innovation in green technologies.

For our supply chain

We could go one step further in mitigating our emissions from our supply chain by implementing an effective carbon pricing within its supply chain. This would serve as a key strategy to reduce GHG emissions and support its long-term sustainability goals to achieving net-zero emissions.

By adopting an internal carbon pricing mechanism, we can incentivise our suppliers to adopt more sustainable practices, reduce emissions, and innovate in low-carbon technologies. For instance, we could introduce a carbon fee based on the carbon intensity of goods and services purchased from suppliers and subcontractors. This would encourage our supply chain to reduce their carbon footprints.

This approach offers several long-term benefits - first, by internalising the environmental costs of emissions, we will be able to drive cost-effective emissions reductions throughout our supply chain. As carbon pricing creates a financial incentive for suppliers to reduce their emissions, it ensures that both financial and environmental goals are aligned.

Over time, suppliers that fail to reduce emissions may face higher costs or lose business, thus encouraging widespread adoption of low-carbon solutions across the supply chain.

Carbon pricing provides a clear pathway to net zero by pushing our company and our suppliers to actively seek emission-reduction opportunities, through process improvements, energy efficiency measures, or innovation in new, cleaner products. As suppliers adjust to the carbon price, we will see a reduction in our Scope 3 emissions, which constitutes our largest carbon footprint. By applying carbon pricing, we will also be better prepared for potential future carbon regulations, such as carbon taxes or emissions caps.

Additionally, the transparency created by carbon pricing encourages better measurement and reporting of emissions data, enabling us to monitor progress toward our net zero targets more accurately. This aligns with best practices for climate risk management and helps position us as a leader in sustainability, enhancing our reputation and ensuring our competitiveness in an increasingly carbon-conscious market.

By applying carbon pricing to our supply chain, we will need to engage suppliers to track and report their emissions accurately. Implementing carbon pricing across the supply chain is feasible, but it requires cooperation from suppliers and the ability to manage complex data. If this can be achieved, carbon pricing implementation could create a powerful financial incentive for emissions reductions, stimulate innovation, and align our business strategies with our environmental goals.

Carbon offsetting

To address residual emissions, we have employed a strict offsetting strategy, purchasing high-quality carbon credits from verified projects that meet rigorous standards for additionality.

These credits are retired in official registries to prevent double counting and ensure the integrity of the offsetting process. We will continue to prioritise projects that focus on GHG removals, such as reforestation and carbon capture initiatives, to maximise the environmental benefits and support global efforts to combat climate change.

Progress against targets

We've worked extremely hard and implemented numerous activities to reduce GHG emissions, achieving significant progress towards our targets. Figure 5 and Figure 6 illustrate the fantastic impact on Scope 1 and Scope 2 emissions.

Scope 1 emissions have been reduced to 293 tCO_2e, very close to the long-term target of 284 tCO_2e, while Scope 2 emissions is incredibly close to the target of 20 tCO_2e, reaching an impressive 22 tCO_2e.

However, more focus is now needed on Scope 3 emissions, which remain well above the near-term target of 3,415 tCO_2e, currently standing at 5,380 tCO_2e. Figure 7 highlights the current status of Scope 3 emissions.

Figure 5: The scope 1 emissions in the reporting year in comparison to the targets

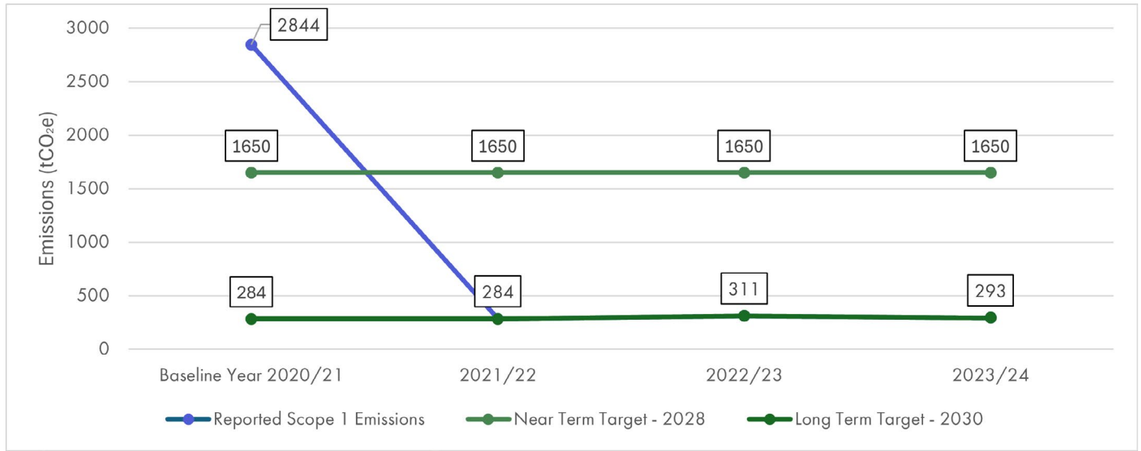


Figure 6: The scope 2 emissions in the reporting year in comparison to the targets

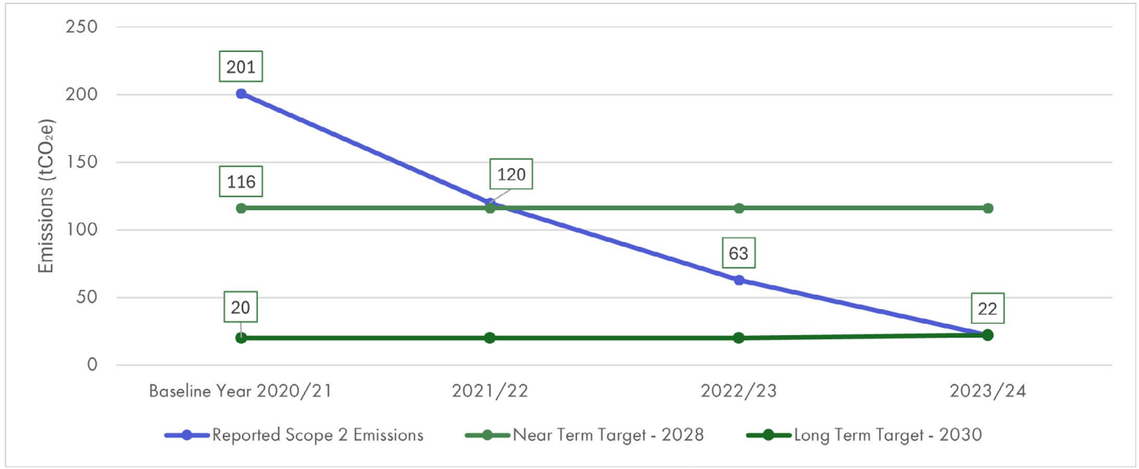
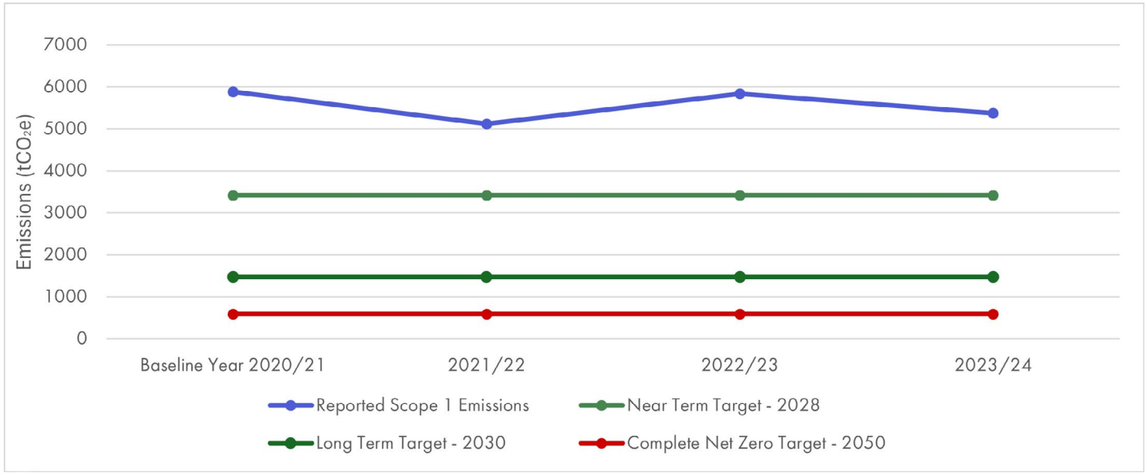


Figure 7: The scope 3 emissions in the reporting year in comparison to the targets



Monitoring & evaluation

Mitigation plan

Our mitigation plan outlines specific actions, assigns responsibilities, and sets clear timescales to achieve carbon neutrality. Key actions include:

- transitioning to a low-carbon fleet
- sourcing renewable energy
- installing onsite renewable energy systems
- improving energy efficiency
- achieving zero waste to landfill
- engaging suppliers in carbon reduction efforts

Responsibilities are assigned to relevant managers, and timescales are set to ensure timely implementation. The plan incorporates a science-based approach, evaluating mitigation potential from technical, economic, and social perspectives to ensure feasibility and effectiveness. An example of this approach is purchasing HVO with ISCC certification, ensuring compliance with the Renewable Energy Directive (EU) 2018/2001 (RED II). This comprehensive strategy supports our commitment to carbon neutrality and sustainable business practices.

The mitigation plan has received approval from senior management, ensuring alignment with our strategic objectives and sustainability goals. Financial resources have been allocated to support the implementation of the plan, with a dedicated budget for each action item. Our Chief Financial Officer (CFO) oversees the financial management, ensuring efficient allocation and monitoring of funds. External funding opportunities are also explored to supplement internal resources.

By securing senior-level approval and allocating the necessary financial resources, we ensure the successful implementation of the mitigation plan. The plan is reviewed annually, and adjustments are made based on progress, new scientific insights, and stakeholder feedback, ensuring continuous alignment with long-term sustainability targets.

Continuous improvement

We are actively committed to continuous improvement in our carbon neutrality efforts. Feedback mechanisms are established to gather input from stakeholders, including employees, customers, suppliers, and the community. Regular surveys, feedback forms, and stakeholder meetings are conducted to collect valuable insights and suggestions. This feedback is analysed and used to refine and enhance the CNMP, ensuring that it remains effective and responsive to the needs and expectations of all stakeholders.

We actively monitor advancements in climate science and incorporate new scientific knowledge into our CNMP. We respond to changes in climate science by reviewing and updating our strategies and actions based on the latest research and best practices. This includes exploring innovative technologies and solutions for carbon reduction, such as carbon capture and storage, alternative fuels, and sustainable materials.

By staying informed about the latest developments in climate science, we are that our mitigation efforts are aligned with the most current understanding of climate change and its impacts. We recognise the importance of adapting to changing circumstances to avoid adverse impacts on the environment and society. Proposed safeguards include conducting regular environmental and social impact assessments to identify potential risks and implementing measures to mitigate these risks. We prioritise actions that support biodiversity, preserve natural habitats, and promote social equity.

Additionally, we engage with local communities and stakeholders to ensure that our activities positively to the social and economic well-being of the areas in which we operate. By proactively addressing environmental and social challenges, we demonstrate our commitment to sustainable development and responsible business practices.

ECO Stars Fleet Recognition Scheme®

Carbon Neutral Business

Validated to ISO 14068

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