

Carbon Reduction Plan

Supplier name: Verna Group International Ltd (“Vernacare”)

Publication date: 20.03.2023

Commitment to achieving Net Zero

Verna Group Ltd is committed to achieving Net Zero emissions across all scopes by 2045.

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: 2019 – (01st April 2019 – 31st March 2020)

Additional Details relating to the Baseline Emissions calculations.

Vernacare has selected and reported emissions for its base year: March 2019 to April 2020. This baseline year was chosen for the completeness and availability of data for all emissions sources within the boundary conditions described below. Setting 2019-2020 as the base year inventory will facilitate comparison of emissions over time, setting targets and tracking progress.

The GHG Protocol identifies 15 categories of scope 3 emissions. The Verna Group 2019 baseline inventory includes 10 calculated categories. For the purposes of this carbon reduction plan only the categories requested have been included, they are detailed below;

- Category 5: Waste generated in operations - Disposal and treatment of waste generated in operations
- Category 6: Business travel – Transportation of employees for business-related activities during the reporting year
- Category 7: Employee commuting – Transportation of employees between their homes and their worksites during the reporting year

The following categories were not calculated in the baseline due to lack of available data but have been calculated in the current emissions reporting section, which clarifies the increase in scope 3 emissions;

- Category 4: Upstream transportation and distribution – Inbound transport services purchased during the reporting year
- Category 9: Transportation and distribution of products sold by the reporting company in the reporting year

Baseline year emissions: 2019 (01st April 2019 – 31st March 2020)

EMISSIONS	TOTAL (tCO₂e)
Scope 1	5,831.63
Scope 2	4,088.31
Scope 3 (Included Sources)	674.12
Total Emissions	10,594.06 (All sources - 67,413.31 tonnes)

Current Emissions Reporting

Reporting Year: 2021 (01st April 2021 – 31st March 2022)

EMISSIONS	TOTAL (tCO₂e)
Scope 1	6,071.18
Scope 2	3,413.24
Scope 3 (Included Sources)	2,918.48
Total Emissions	12,404.48 (All sources – 67,884.82 tonnes)

Emissions reduction targets

Our 2019 – 2021 FY baseline has set a carbon intensity factor of 0.63 tCO₂e per tonne produced. This allows us to track our reduction initiatives over time as our company grows.

For the reporting period 01st April 2021 – 31st March 2022 our intensity factor was 0.65 tCO₂e per tonne produced. This intensity factor also includes the emissions associated with S3C4 and SC39 which were not accounted for in the original baseline.

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets from a 2021 – 2022 FY baseline. This baseline has been chosen to ensure all emissions are accounted for.

We are targeting based on all categories of emissions and project that our total carbon emissions will decrease from 67,884 tCO₂e over the next four years including the current financial year to 54,467 tCO₂e by March 2026. A reduction of 19.76%.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented across the group since the 2019 baseline.

- Introduction of our ESG policy, highlighting our commitment to reducing our carbon footprint.
- 12 of our employees are certified Carbon Literate by the Carbon Literacy Project, including our CEO & COO. We have now achieved Bronze Carbon Literacy status as an organisation.
- We have introduced an electric company car policy which ensures all new leased cars are electric or hybrid. Reducing our business travel and employee commuting carbon footprint simultaneously.
- All sites are certified to ISO:14001, demonstrating and enhancing our environmental stewardship and control across the group.
- Air Source Heat Pumps have been installed at our head office in Chorley, reducing Scope 1 emissions at that site by 50%.
- Group wide Cycle to work scheme is in place, allowing employees to purchase a bike and travel with zero emissions.

In the future we hope to implement further measures such as:

- The installation of new and efficient machines at our facilities, replacing older machines. Indicative calculations suggest we will reduce carbon emissions by 76 tonnes.
- Replicate the solar array at our head office and install PV at our three remaining UK facilities. Calculations suggest this will reduce emissions by around 500 tonnes per year.
- Capture waste heat from our pulp production process to minimise the amount of gas we use. Calculations suggest a project of this nature will save around 800 tonnes of carbon per year.
- Install further heat pumps at our head office to remove the requirement for fossil fuels.
- We are in the process of implementing an electric car salary sacrifice scheme in the next financial year to reduce our employee commuting emissions.

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 DEFRA 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).

A handwritten signature in blue ink, appearing to read "Alex Hodges".

Alex Hodges, Chief Executive
20th March 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>