



Carbon Reduction Plan

Supplier name: Marillo Foods Limited

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Reviewed by	Mark Pritchard	November 2024
Next Review	Management	November 2025
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Introduction

This Carbon Reduction Plan (CRP) refers to our office operations, whilst also extending to the service level agreements and other contracts in place with customers, suppliers and other key stakeholders.

The CRP outlines the 2023 baseline year information, sets clear targets for reducing Green House Gase (GHG) emissions, monitors achievements to date and details planned actions to achieve carbon net zero in full by 2045.

Commitment to achieving Net Zero

Marillo Foods Limited (MFL) is committed to achieving net zero emissions by 2030 for emissions scopes 1 and 2. This ambition further extends to achieving net zero emissions, within five key categories of scope 3, by 2045, which include: upstream and downstream transportation and distribution, waste generated in operations, business travel and employee commuting. This commitment was made on 26 March 2024 by the Directors and is underpinned by MFL's approved and published Environmental Policy.

We have had a long-standing commitment to measuring, reducing and offsetting our operational emissions. This was formalised by achieving ISO 14001 Certification in May 2021. Whilst we have not continued with the official certificate status, we still use the adopted processes and procedures to maintain the business management system approved by the awarding body. This allows us to keep working towards our goals of achieving net zero emissions by the prescribed deadlines.

The business management system enables us to formally review and capture the environmental impact of our operational activities; both from within our business and with contracted partners. We have a rolling programme of improvement in place, which allows us to monitor performance against adopted aims and objectives. By managing our achievements to date combined with future ambitions, we can nimbly adapt operations to meet set targets, fostering relationships with current and new stakeholders to help us achieve those aims.

More information about our environmental programmes, accomplishments to date and objectives going-forward can be found within the following suite of documents:

- (004) Objectives and KPI Register
- (006) Environmental Policy (including aims and objectives)
- (007) Environmental Aspects (current activities)
- (008) Environmental Improvements to Date
- (030) Environmental Improvements Planned
- (009) Equipment and Maintenance Register
- (010) Waste Management Register

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 calculable strategies to reduce emissions.

Baseline Emissions Footprint continued

MFL has calculated the baseline emissions for the financial year 2023 in order to provide a data reference point to measure actual greenhouse gas emissions and, therefore provide a quantifiable figure on which to improve.

MFL have made significant improvements in carbon emissions via the introduction of the ISO 14001 business management system. However, calculated values of the greenhouse gas emissions were not recorded. We operate a small office facility based in West Yorkshire with other business operations, such as warehousing and transportation, being outsourced to external providers.

It was sufficient to capture the information via a less formal methodology and we had a robust monitoring system in place to make sure that improvements were being made in a clear, timely and effective manner.

After calculating the carbon emissions for the baseline year of 2023, we will continue to capture and monitor the emissions in a more assessable fashion, thereby allowing us to work towards our goal of net zero emissions in a computable and measurable way.

We have measured and externally disclosed our greenhouse gas emissions and other environmental and social impacts from 2023. Our baseline has been set in line with published guidelines. We have calculated the emissions for Scope 1, Scope 2 and five key identified areas within Scope 3 emissions (as noted in the detailed analysis table below).

All metrics have been subject to an internal audit and have been verified against industry standards. Detailed workings are available to support the calculated outputs.

The carbon emissions below are in relation to the following:

- Scope 1: Mobile combustion (car leasing)
- Scope 2: Location-based energy (on-site solar-generated electricity)
 Market-based energy (purchased contracted electricity)
- Scope 3: Within this scope, the calculations and monitoring extends to five key elements: -
 - Category (4) Upstream transportation and distribution
 - Category (5) Waste generated in operations
 - Category (6) Business Travel
 - Category (7) Employee Commuting
 - Category (9) Downstream transportation and distribution

Baseline Year: 2023

Additional Details relating to the Baseline Emissions calculations.

The baseline relates to the financial year ending 31 March 2023. As the financial year-end changed from 31 July to 31 March, the accounts for 2023 related to an eight-month period. However, the eight months activities, have been adjusted up to a twelve-month period by including the last four months of the previous financial year. Therefore, the baseline figures relate to the year from 01 April 2022 to 31 March 2023.

Baseline year emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	0.10
Scope 2	2.64
Scope 3	2230.72
Included Sources	<i>Analysed as:</i>
	1674.92 <i>Upstream transportation and distribution</i>
	0.00 <i>Waste generated in operations</i>
	30.44 <i>Business travel</i>
	0.59 <i>Employee commuting</i>
	524.77 <i>Downstream transportation and distribution</i>
Total Emissions	2233.46

Scope 1 Emissions

A negligible amount of scope 1 emissions was calculated for the base year 2023.

Scope 2 Emissions

Solar panels are installed at the office premises to harvest electricity, with any spare capacity being channelled into a backup storage battery to be utilised when no immediate energy is being generated from the solar system installed. In addition to solar energy, which provides 10% of the electricity required for our office operations, MFL purchases electricity from British Gas leading to scope 2 emissions of 2.64 tCO₂ e in the base year.

Scope 3 Emissions (included sources)

MFL is a UK-based food importer and does not manufacture any products. We import packaged food via road transport from the factories to the ports, followed by sea-freight to the UK and road transport to our warehouse. In the main, the food is imported from Europe and the Far East. All transportation is out-sourced to suppliers, who operate under service level agreements. We collaborate well with like-minded providers and take into consideration their green credentials when awarding any contractual agreements and approving a supplier. The goods are stored in a warehouse, again an out-sourced facility, near Cambridge.

Prior to 2023, we had already made good progress towards reducing our emissions by moving to a warehouse provider who has state-of-the-art facilities and who adopts a more environmentally friendly approach (such as garnering a high degree of self-generated energy). We have also changed our pallet supplier to one where all of their pallets are recyclable via a UK-recognised scheme.

Business travel has reduced, when comparing the 2023 base year to previous years. The impact of Covid-19 meant that only essential journeys were conducted and we have managed to keep a lower level in place after the pandemic restrictions were lifted.

A business lease has been secured for a fully-electric car which is charged by energy collected from an on-site solar panel system and back-up battery. More conference calls are scheduled instead of face-to face meetings and we have taken a more flexible approach to staff working from home.

In terms of delivering goods to customers from the central warehouse, we utilise NHS backhaul so that orders are grouped together for the NHS with other providers; increasing efficiencies, reducing deliveries and, as a result, the carbon footprint.

MFL recognise that steps have already been made to reduce our carbon emissions prior to 2023 and have set formal targets from 2024 to clearly monitor future progress and work towards the goal of net zero emissions.

Current Emissions Reporting

MFL has calculated the 2024 reporting year emissions in order to provide a measurable data point against the 2023 base year and to monitor the impact of any initiatives implemented during 2024. The reporting year relate to the year from 01 April 2023 to 31 March 2024.

Reporting Year: 2024		
EMISSIONS	TOTAL (tCO _{2e})	
Scope 1	0.00	
Scope 2	2.52	
Scope 3	1834.54	
Included Sources	<i>Analysed as:</i>	
	1554.92	<i>Upstream transportation and distribution</i>
	0.00	<i>Waste generated in operations</i>
	10.40	<i>Business travel</i>
	0.59	<i>Employee commuting</i>
	268.63	<i>Downstream transportation and distribution</i>
Total Emissions	1837.06	

Emissions Reduction Targets

Significant progress has been made, when comparing the data gathered for 2024 to the 2023 base year; leading to a reduction in carbon emissions of 18%.

In order to continue our progress to achieving net zero for scope 1 and 2 emissions by 2030 together with net zero for the scope 3 defined categories by 2045, we have adopted the following carbon reduction targets:

- We project that scope 2 carbon emissions will decrease over the next two years in 2026 to 1.85 tCO₂e; a forecast reduction of 26%.
- We aim to have reached net zero emissions for both scope 1 and scope 2 by 2030.

For the five named categories within scope 3 emissions:

- We will gradually work towards achieving net zero emissions by 2045 for both upstream and downstream transportation and distribution. We expect the reduction year-on-year to be a steady decline; as companies who we collaborate with adopt green principles and implement new ways of working supplemented by investment in new technologies. An equal reduction each year from 2024 to 2045 would decrease carbon emissions by circa 78 tCO₂e every twelve months. We would hope that, by front-loading investment, the target would be out-performed in future annual reviews.
- Business travel and employee commuting will continue to be under review and we would hope to accomplish a reduction of 5% each year as we work towards net zero by 2045. This will be obtained by complying with sustainable travel strategies, electrification of personal vehicles and an even more flexible approach towards working patterns and locations.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023 baseline. The carbon emission reduction achieved by these schemes equates to **398.88 tCO₂e**, a **18% reduction** against the 2023 baseline and the measures will be in effect when performing the contract.

- When shipping goods we bring in full containers via sea freight whenever possible (most environmentally form of transport available to us). We also consider the distance travelled from purchase point to the UK and choose to buy goods which need to travel a shorter distance, if viable, and explore the best shipping options which champion environmental aspects within their ethos and objectives.
- We partner with shipping lines who weave green principles into their operations and who are navigating the journey to net zero by 2050 by decarbonising their part in the supply chain. The main shipping line we use has adopted biofuel as a transition fuel for its ocean operations; providing a much more environmentally friendly option. They only use biofuel that is responsibly sourced and accompanied by a proof of sustainability certification issued by internationally recognised bodies.

- We utilise NHS backhaul, for our road deliveries to the NHS from our central warehouse, which enables full truck loads and a shared resource with other NHS suppliers to reduce the overall carbon footprint.
- In terms of other road transport, delivering direct from a supplier to the NHS, we collaborate with trading companies who are committed to achieving road transport net zero by 2035. Notable steps have already been made by optimising route planning and vehicle utilisation. Some companies are also working towards full ISO 14001 accreditation.
- Significant reduction in business trips as an assessment of each planned trip is undertaken before the travel is booked. This initiative has reduced business miles incurred by 20% combined with more of a reliance on public transport via rail. There is also a bicycle available for local office errands (post office etc.).
- The number of trips to the warehouse facility has decreased with regular reports being sent via email which enable off-site stock reconciliations and query resolutions.
- We have attended large Trade Shows which provide the ability to see several customers and suppliers in one location; negating the need for as many visits over the remainder of the year.
- We have implemented a flexible working policy where staff, when possible, can work from home. In order to permit this change, we have invested in new and additional technology. Staff have also been encouraged to car-share. We should see the benefits of these schemes in the forthcoming year.
- A new energy saving lighting system has been installed in the office, operating on a full sensor system. In addition, obsolete equipment has been replaced with more efficient versions. We have a full recycling programme set up and try to work towards a paperless office. We have also invested in new storage which is housed in a location powered by the solar energy generated.
- Staff are trained on the environmental policies and procedures each year and are actively encouraged to feed in any suggestions which can help us achieve carbon net zero emissions.
- For our larger customer base, we have set minimum order levels to reduce the number/frequency of deliveries to depots.
- Whilst we do not have the formal ISO 14001 certification in place from 2023 onwards, we still maintain the full Business Management System utilised when certification was awarded and follow the same principles and requirements.

Future Carbon Reduction Initiatives

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

- Relocating our office premises to a newly renovated building which will be refurbished by applying green initiatives, such as low-energy lighting and heating, state-of-the art technology and a much-reduced square meterage (around 50% reduction in floor area).
- Greater investment in solar energy sources to expand the current capacity generated and stored; thereby reducing the reliance on purchasing from external suppliers.
- Remain in alliance with key suppliers and contractors to assist and monitor their progress towards reaching net zero emissions and how their progress positively impacts on our supply chain. The areas of improvement will include optimising transport routes, the use

of low-carbon fuels, improved vehicle efficiency, load optimisation and investment in new technologies.

- Undertake a review of stock held in the warehouse to see if the space used can be decreased and/or stock can be brought in via a varying schedule which ensures customers are always in stock of any products required but the stock is controlled in an efficient and effective manner.
- Enhanced flexible working policy for employees to cut down on commuting miles; assisted by the introduction of schemes to promote personally-owned electric vehicles, car-sharing and the use of public transport.
- Evaluate business trips to assess the viability and benefits before booking travel and investigate more environmentally-friendly modes of transport.
- Consider the opportunity for carbon off-setting; such as schemes to plant trees to counteract the carbon footprint arising from operational activities.

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 on 18 November 2024.

Signed on behalf of the Supplier:

Marillo Foods Limited

Date: 18 November 2024

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>