



since 1971

# Net-Zero Strategy

July 2023

## PPN 06/21: Carbon Reduction Plan

**Company name :** Community Foods

**Publication date:** \_\_\_\_\_

### 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: FY2022 (April 2021 – March 2022)		
The baseline emissions have been calculated using a operational control model following the GHG protocol guidance. The baseline includes all applicable Scope 1, 2 and 3 emissions. Emissions have been calculated following the GHG Protocol Guidelines, in particular the Corporate Value Chain (Scope 3) Standard.		
EMISSIONS	Total (tCO <sub>2</sub> e)	
Scope 1, 2 and 3 total (market-based)	69,874	
Scope 1	71	
Scope 2 (market-based)	133	
Scope 2 (location-based)	187	
Scope 3 total	69,670	
	Purchased Goods and Services	62,258
	Capital Goods	276
	Fuel-related emissions	84
	Upstream Transportation and Distribution	1,024
	Waste Generated in Operations	70
	Business travel	29
	Employee commuting	395
	Downstream Transport and Distribution	20
	Processing of Sold Products	1,415
	End-of-Life Treatment of Sold Products	1,346

\*Other Scope 3 categories not listed were assessed and identified to be not applicable to Community Foods

### Commitment to achieving Net-Zero

Community Foods is committed to achieving Net-Zero emissions by 2040.

### Current year emissions

Community Foods is in the process of measuring its FY2023 emissions, therefore currently its baseline and current year emissions are the same.

Current year: FY2022 (April 2021 – March 2022)		
EMISSIONS	Total (tCO <sub>2</sub> e)	
Scope 1, 2 and 3 total (market-based)	69,874	
Scope 1	71	
Scope 2 (market-based)	133	
Scope 2 (location-based)	187	
Scope 3 total	69,670	
	Purchased Goods and Services	62,258
	Capital Goods	276
	Fuel-related emissions	84
	Upstream Transportation and Distribution	1,024
	Waste Generated in Operations	70
	Business travel	29
	Employee commuting	395
	Downstream Transport and Distribution	20
	Processing of Sold Products	1,415
	End-of-Life Treatment of Sold Products	1,346
EMISSIONS	Total (tCO <sub>2</sub> e)	

\*Other Scope 3 categories not listed were assessed and identified to be not applicable to Community Foods

## PPN 06/21: Carbon Reduction Plan (contd)

### Emission reduction targets

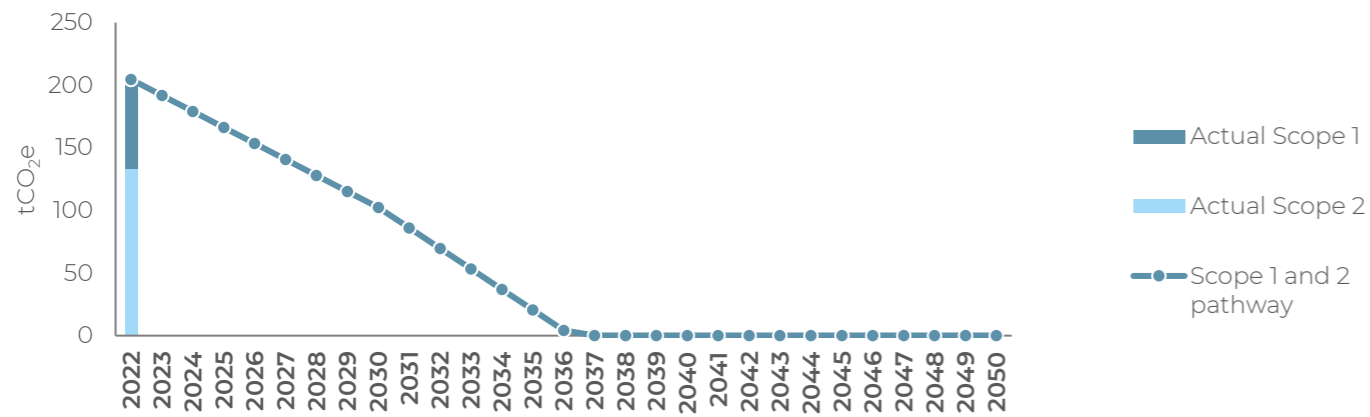
Community Foods aims to achieve net-zero Scope 1 and 2 emissions by 2035 and net-zero Scope 3 emissions by 2040 (at least 90% reduction in non-FLAG emissions and 72% reduction in FLAG emissions).

In order to continue progress to achieving net-zero, Community Foods have adopted the following carbon reduction targets.

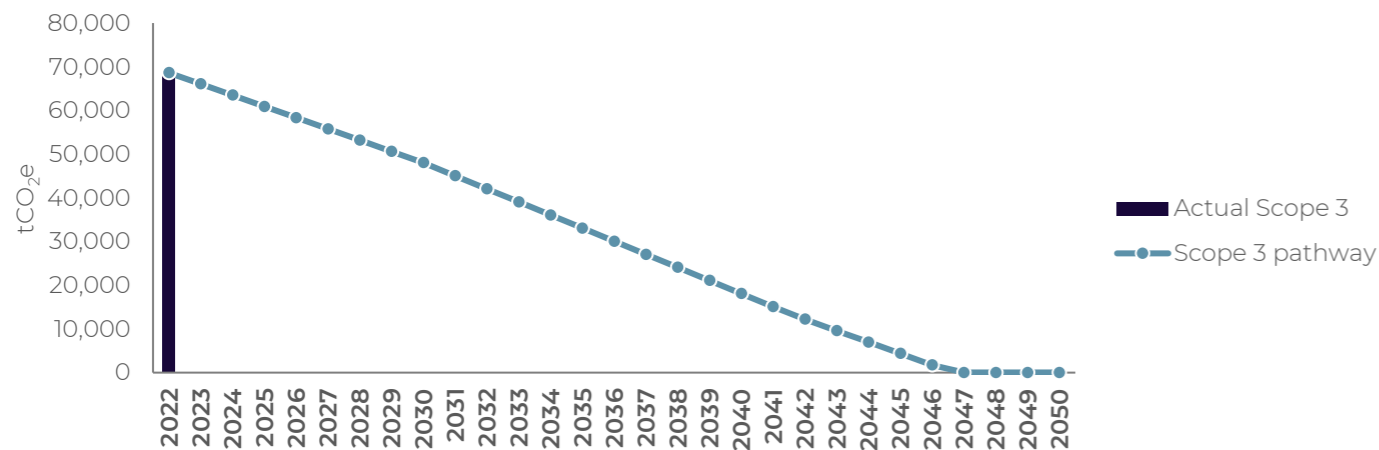
- 50% reduction in Scope 1 and 2 GHG emissions by FY2030 from FY2022 base year
- 30% reduction in non-FLAG Scope 3 GHG emissions by FY2030 from FY2022 base year
- 30% reduction in FLAG Scope 3 GHG emissions by FY2030 from FY2022 base year

We project that Scope 1 and 2 GHG emissions will decrease over the next five years to 128 tCO<sub>2</sub>e by 2028. This is a 38% reduction compared to our base year of FY2022.

Scope 1 and 2 pathway



Scope 3 pathway



## PPN 06/21: Carbon Reduction Plan (contd)

### Carbon Reduction Projects

#### Previous Energy Efficiency Improvements

- Community Foods is committed to year-on-year improvements in operational energy efficiency.
- During FY2022 a replacement of lighting with LED efficient fitting has continued.
- The use of energy is a focus of all teams and opportunities to reduce consumption through operational practices is always employed.
- All no-cost opportunities are fully maximised and an approach to energy reduction through continuous improvement means any possibility to have a positive impact on the minimisation of the company's climate impact is fully exploited.

#### Future Decarbonisation Roadmap

Four focus areas have been identified to action Community Foods' emissions, and short-, medium- and long-term actions for each focus area have been set out. Actions have been mapped to each focus area to ensure near and long-term targets can be met.

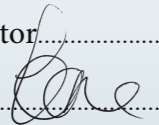
		Short term		Medium Term	Long Term
Decarbonisation focus areas	<b>Product Lifecycle</b>	Supplier engagement Product data gathering	LCA analysis Increase recyclable and recyclability of packaging	Supplier workshop Reduce packaging Customer workshop Reduce food waste	Insetting
	<b>Procurement</b>	Supplier engagement	Review and update procurement policy	Supplier workshop Benchmark suppliers Request product and journey specific data	Insetting Purchase low-carbon products
	<b>People</b>	Employee engagement	Review travel booking system Install EV charging points	Green commuting schemes	
	<b>Property</b>	Energy saving Green energy procurement	Energy efficiency Staff training Solar PV feasibility study	Install solar PV Replace gas boiler	Offsetting

## PPN 06/21: Carbon Reduction Plan (contd)

### I: 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<sup>5</sup> and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting](#)<sup>6</sup>.
- Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and 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.
- This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

#### Signed on behalf of the Supplier:

- Name .....Tracy Kane .....
- Role .....Brand Director.....
- Signature ..........
- Date: .....01/08/2023.....

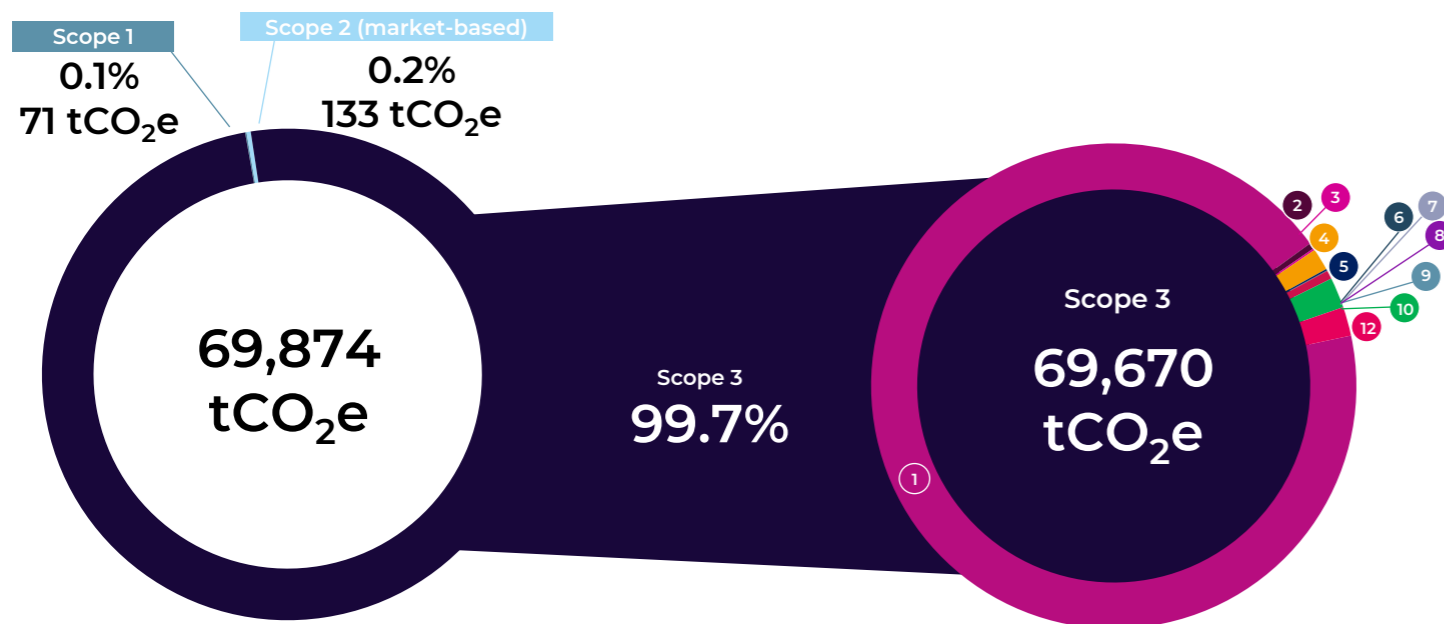
### II: Reporting Methodology

- Scope 1 and 2 greenhouse gas emissions have been calculated according to the 2019 UK Government environmental reporting guidance. Consistent with the guidance, relevant emissions factors published in the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) "Greenhouse gas reporting: conversion factors" database-specific reporting year have been used. The CO<sub>2</sub> equivalent conversion factor has been used throughout and, where applicable, the kWh gross calorific value (CV) was used.
- Scope 1 and 2 emissions have been calculated using both a location-based approach:
- Location-Based: This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities. BEIS provides UK emissions factors for fuel and grid electricity annually, which are used in location-based reporting.
- Market-Based: This method uses electricity contract or supplier-specific emissions factor if available, and if not available, residual electricity emissions factors to calculate Scope 2 emissions.
- Transport-related emissions from fuel combustion were calculated using the BEIS "Greenhouse gas reporting: conversion factors" database.
- Scope 3 emissions have been calculated based on the guidance in the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Standard".
- For all operations, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.
- The majority of conversion factors were sourced from the BEIS Greenhouse gas reporting: conversion factors, v1.0 2021 database. Where a spend-based approach was used, as per the GHG Protocol guidance, conversion factors were taken from the University of Leeds and the Department for Environment, Food and Rural Affairs' UK Footprint Results (1990 – 2018)' study or the Department for Environment, Food and Rural Affairs' Indirect emissions for the supply chain' database. Scope 3 emissions include Well to Tank and T&D losses.

## Community Foods' Baseline Emissions

Community Foods is using its financial year 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022 as its baseline as it is the first year Community Foods calculated its full, Scope 1, 2 and 3 greenhouse gas emissions footprint. Community Foods has used an operational control approach as the boundary for its baseline emissions and all emissions have been calculated according to methodologies set out by the GHG Protocol. Scope 2 emissions have been quantified on both a location (187 tCO<sub>2</sub>e) and market-based (133 tCO<sub>2</sub>e) approach. The market-based approach will be used to track progress going forward.

Figure 1: Community Foods' FY22 greenhouse gas emissions footprint.



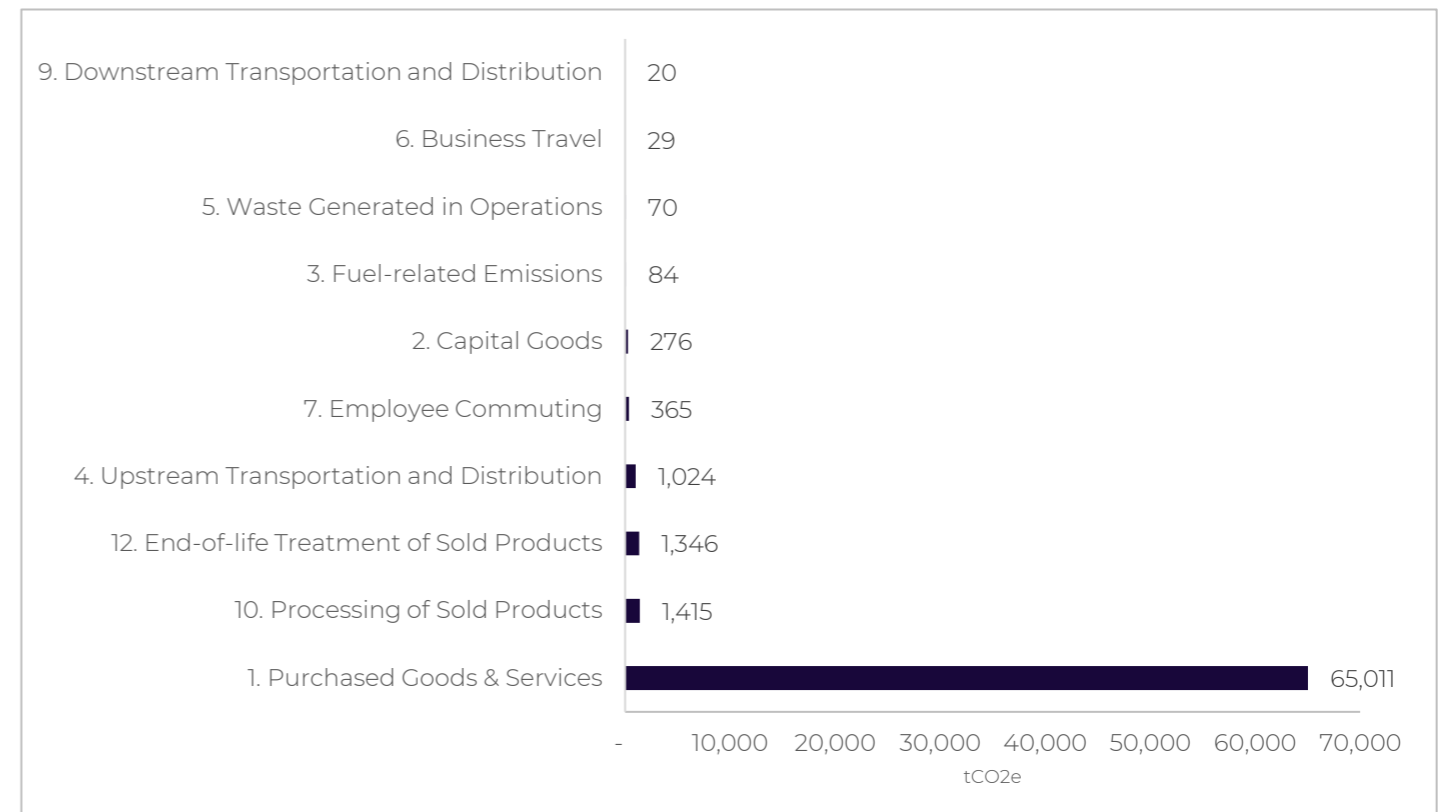
### Applicable Scope 3 Categories

1	Purchased Goods and Services	92.97%
2	Capital goods	0.39%
3	Fuel-related emissions	0.12%
4	Upstream Transportation and Distribution	1.46%
5	Waste generated in operations	0.1%
6	Business travel	0.04%
7	Employee commuting	0.57%
9	Downstream Transportation and Distribution	0.03%
10	Processing of sold products	2.02%
12	End of life treatment of sold products	1.92%

## Emissions Hotspots

Community Foods' emissions have been calculated across all applicable Scope 3 categories. Out of the ten applicable categories, Category 1: Purchased Goods and Services is the highest emitting area of the business. The purchase of food products for resale makes up the majority of emissions. This is due to the scale of the product purchases and their embedded emissions, especially cashews, sultanas and almonds.

Figure 2: Community Foods's Scope 3 emissions.



Scope 3 emissions account for 99% of total emissions. With a full view of Community Foods' key emissions produced by its operations and value chain, the highest emitting activities associated with the business are:

1. Scope 3 – Category 1 - Emissions 'embedded' in purchased goods and services (i.e. emissions associated with extraction, manufacturing and transporting of products).
2. Scope 3 – Category 10 – Energy emissions generated by converting purchased products into finished goods e.g. baking.
3. Scope 3 – Category 12 - Emissions associated with the end-of-life treatment of sold products.
4. Scope 3 – Category 4- Emissions associated with third-party transport and distribution paid for by Community Foods.

## FLAG vs Non-FLAG emissions

In 2022, the Science-Based Targets initiative (SBTi) and Greenhouse Gas (GHG) Protocol released new guidance about accounting and setting targets for forest, land and agriculture (FLAG) emissions. FLAG emissions include combustion emissions produced at agricultural sites as well as forest, land and agricultural emissions embedded in agriculture-related products.

All of Community Foods' FLAG emissions are within Scope 3 – Category 1 (Purchased Goods and Services). These emissions are embedded in food products Community foods purchases for resale and includes emissions produced during the growing and transporting of agricultural products, and emissions associated with land-use change associated with agriculture activities.

FLAG emissions account for 89% of Community Foods' total emissions.

As shown in Figure 3, the purchase of raisins/sultanas results in the highest tCO<sub>2</sub>e per product type, however nuts (cashews, pistachios and brazil nuts), almonds and sesame seeds have the highest kgCO<sub>2</sub>e/kg product intensity.

Figure 3: FLAG emissions by product type

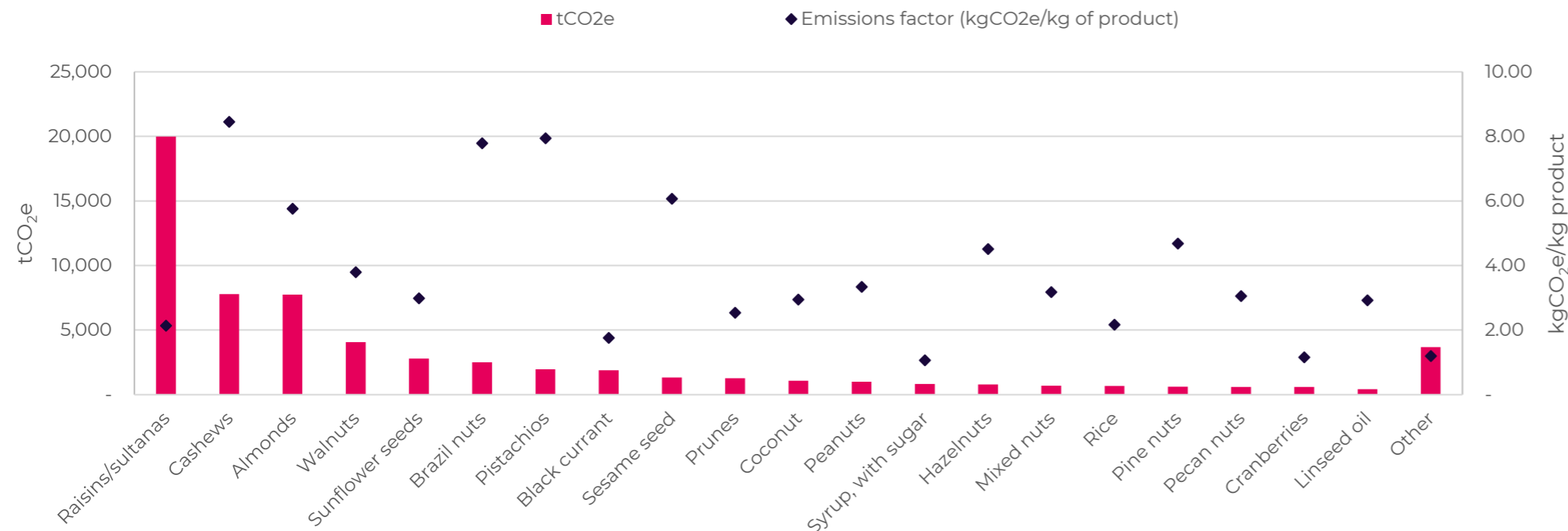
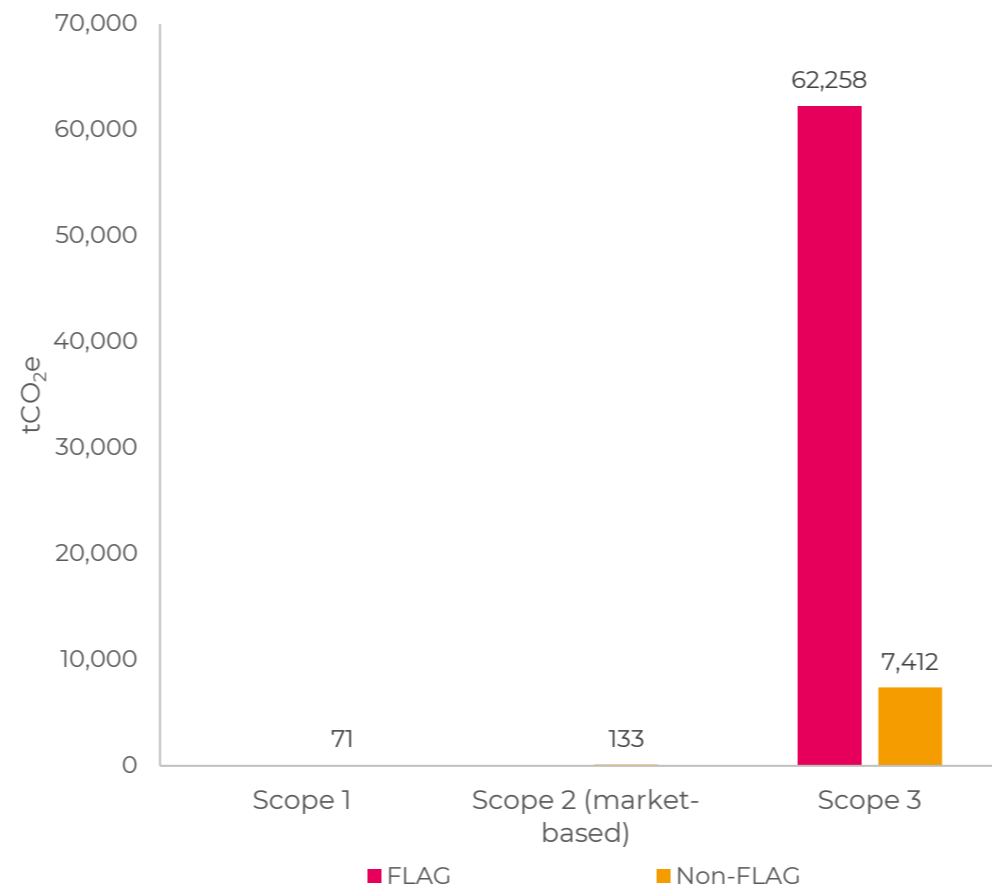


Figure 4: FLAG vs non-FLAG split by emissions scope



*“The forest, land and agriculture sector is one of the industries at highest risk from the impact of climate change. But it is also a significant source of emissions. It represents nearly a quarter of global greenhouse gas (GHG) emissions - the largest emitting sector after energy.”*

*To keep 1.5°C within reach, tackle food crisis risks and enable the transformation to a global net-zero future, cutting land related emissions is paramount.”*

### Science-Based Targets initiative (SBTi)

*“Agriculture and agriculture-driven land use change contribute around 17% of global emissions, while 75% of agricultural producers targeted by CDP do not report their emissions. The GHG Protocol Agricultural Guidance is intended to promote sector-wide adoption of emissions management practices by harmonizing how agricultural companies worldwide measure and report their emissions.”*

### GHG Protocol