



# Carbon Report 2023



# Vision

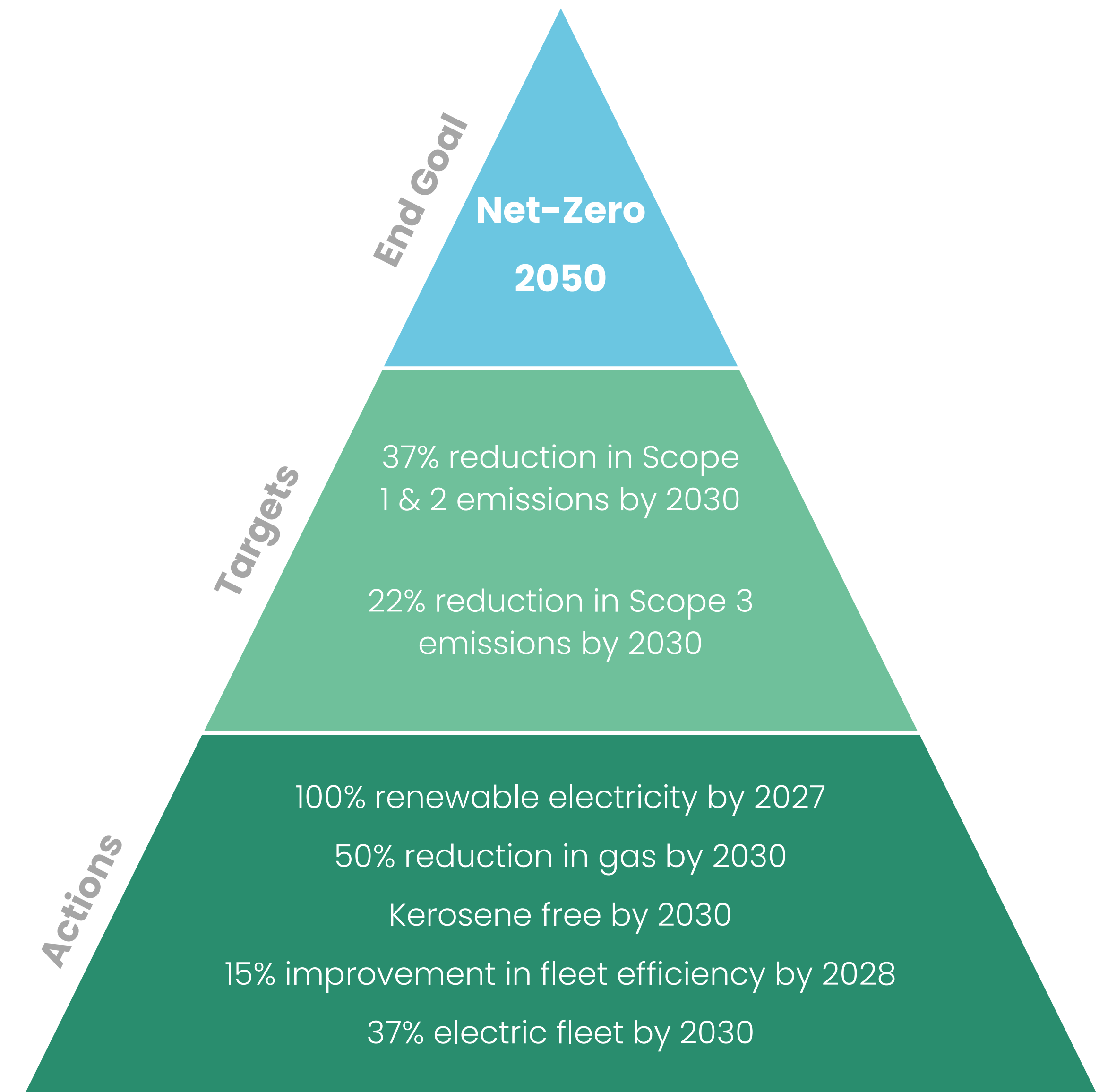
**We are committed to achieving Net-Zero by 2050 on a pathway that is in line with the Science Based Target Initiative (SBTi)**

Adler & Allan are committed to achieving net-zero emissions across all scopes by 2050. To map our way to this goal, we have set interim 2030 targets of a 37% reduction in our Scope 1 & 2 emissions and 22% reduction in Scope 3 emissions, from a 2023 baseline. These targets are in line with the current Science-Based Target Initiative (SBTi) reduction requirements for limiting global warming to 1.5°C above pre-industrial levels.

We have set actions to reduce our direct emissions and achieve these targets. These include purchasing renewable electricity, reducing fossil fuel heating and increasing the fuel efficiency of our fleet.

Beyond our direct emissions, we will work with our supply chain to improve our understanding of our upstream emissions, particularly relating to our purchased goods and services.

We will also improve our climate governance by continuing to have our carbon footprint annually verified by an independent third party, which we have completed since 2019, and voluntarily disclosing in line with TCFD by 2026.



# Emissions over time

**Absolute emissions have increased as our operations have grown, but our emissions intensity has reduced by 11% since 2019.**

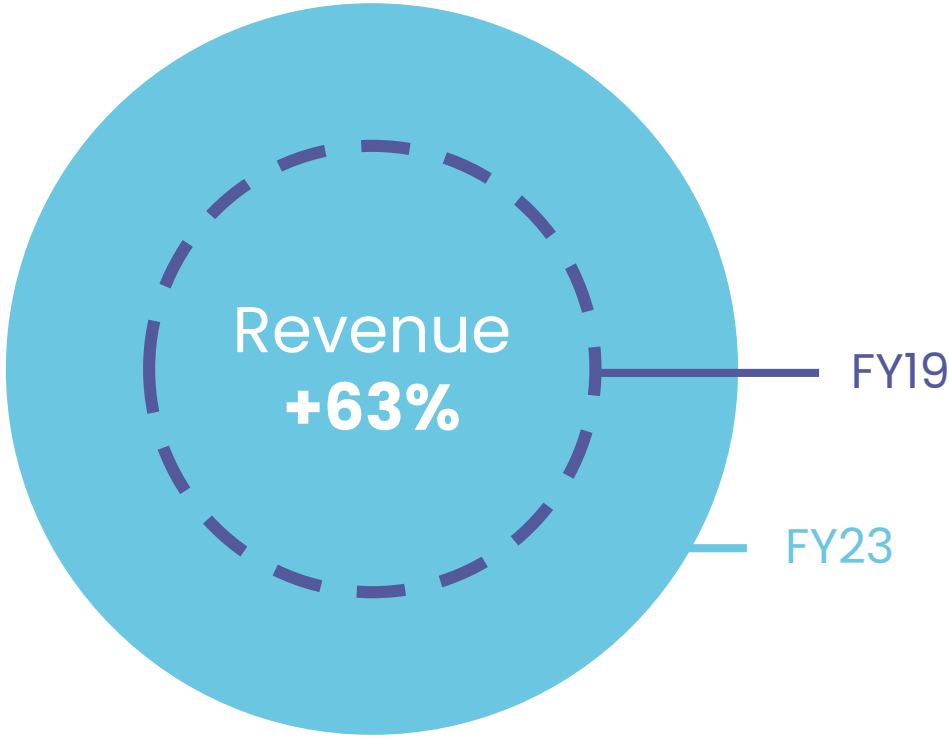
Adler & Allan has seen significant operational growth over the past four years. The current A&A combined revenue was 63% larger in 2023, than its equivalent in 2019.

Our absolute emissions have increased in line with this operational growth. The increase of our direct emissions (Scope 1 & 2) has been driven by our fleet expansions, whilst our indirect emissions (Scope 3) have been influenced by an increase in our purchased goods and services.

However, despite this operational expansion, A&A have decreased the carbon intensity of our operations by 11%, reducing our Scope 1 & 2 footprint from 59.01 to 52.40 tCO<sub>2</sub>e/£ million in revenue.

We wish to go further and decouple our organisational growth from our absolute emissions, becoming less carbon intensive and achieving our overall reduction targets.

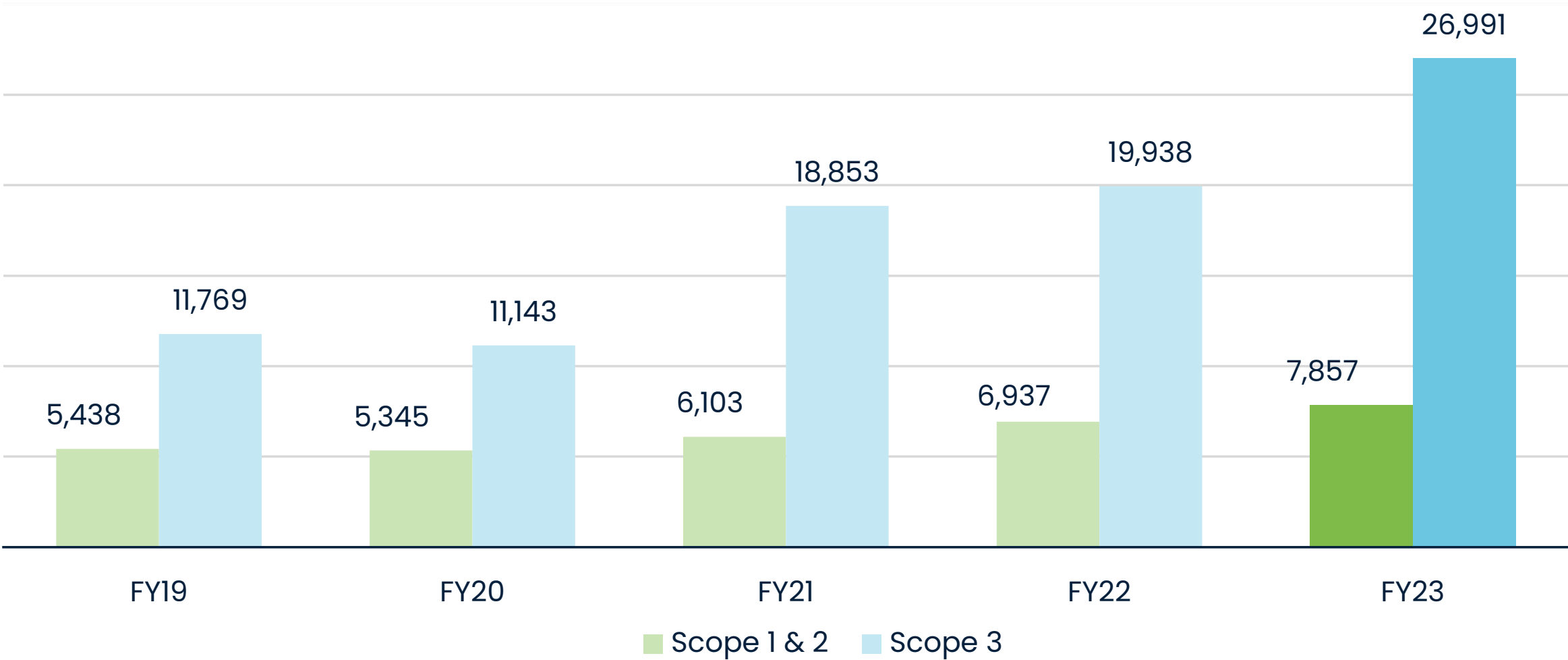
## A&A Operational Growth



## Carbon Intensity Scopes 1 & 2



## Historical Emissions (tCO<sub>2</sub>e)



# Reducing our direct emissions

**We will aim to reduce our Scope 1 & 2 emissions by 37% by 2030 from a 2023 baseline, in line with the SBTi 1.5°C pathway.**

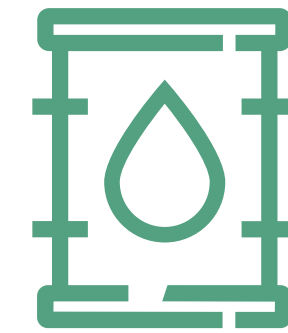
To achieve our ambition of reducing absolute emissions by 37% by 2030, we have set the following actions:

- Purchase renewable electricity across all sites by 2027
- Reduce gas usage by 50% by 2030
- Kerosene free by 2030
- Improve fuel efficiency by 15% across our fleet by 2028
- Transition 37% of the fleet to electric vehicles by 2030



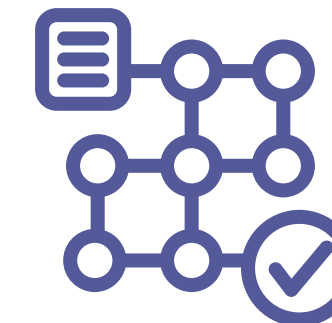
## Renewable Electricity

We will transition approximately 60% of our electricity consumption to a renewable tariff in 2024, expanding this to 100% by 2027.



## Gas & Kerosene

We aim to become kerosene free and reduce gas consumption by 50% through investing in electric heating systems, such as air source heat pumps across our highest heating demand sites.



## Fleet Efficiency

Our fleet accounted for 97% of our direct emissions in 2023. We will reduce this by utilising our telematics software to improve driver behaviour and retrofitting fuel efficiency devices, such as hydrogen injection.

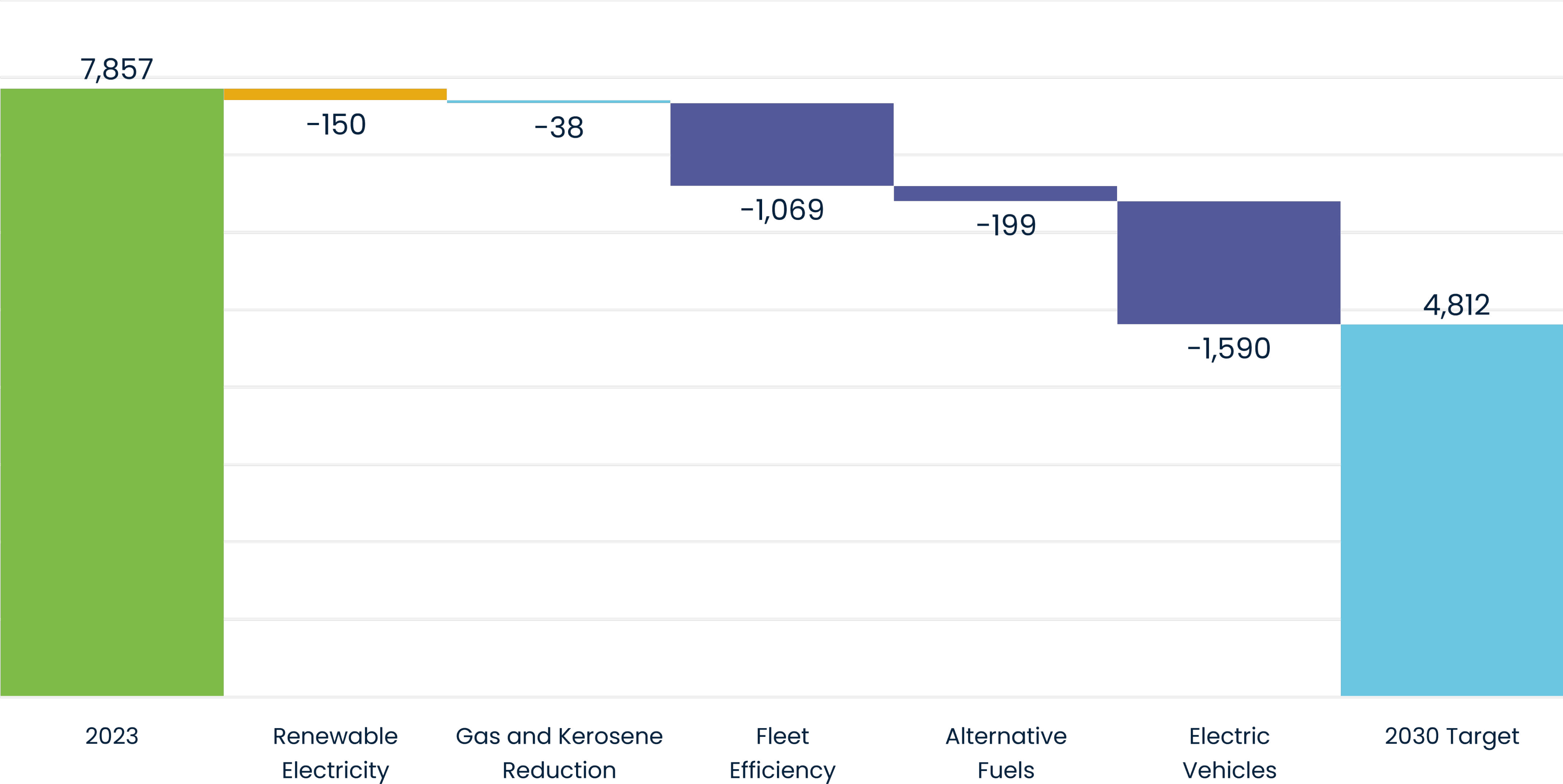


## Alternative Fuels & Electric Vehicles

Transitioning our fleet to low-carbon fuels and electric vehicles is a priority. We will focus on trialling HVO fuel for our HGVs, electric vans and electric company car schemes.

# 2030 Action Plan

(Scope 1 & 2 tCO<sub>2</sub>e)





# Wider Impact

We will work with our suppliers to improve the understanding of our Scope 3 emissions and work collaboratively to reduce them.

## Scope 3 Emissions

88% of our Scope 3 emission sources come from our purchased goods and services. We are going to improve our understanding of this emission source by working with our top suppliers to get supplier-specific carbon data. We will also continue to expand our Scope 3 data collection, focusing on improving our ‘downstream’ emissions data, such as those associated with transport and distribution and the use of sold products.

## Climate Risks and Opportunities

We will develop our understanding and approach to our climate risk and opportunities by completing voluntary TCFD disclosure by 2026.

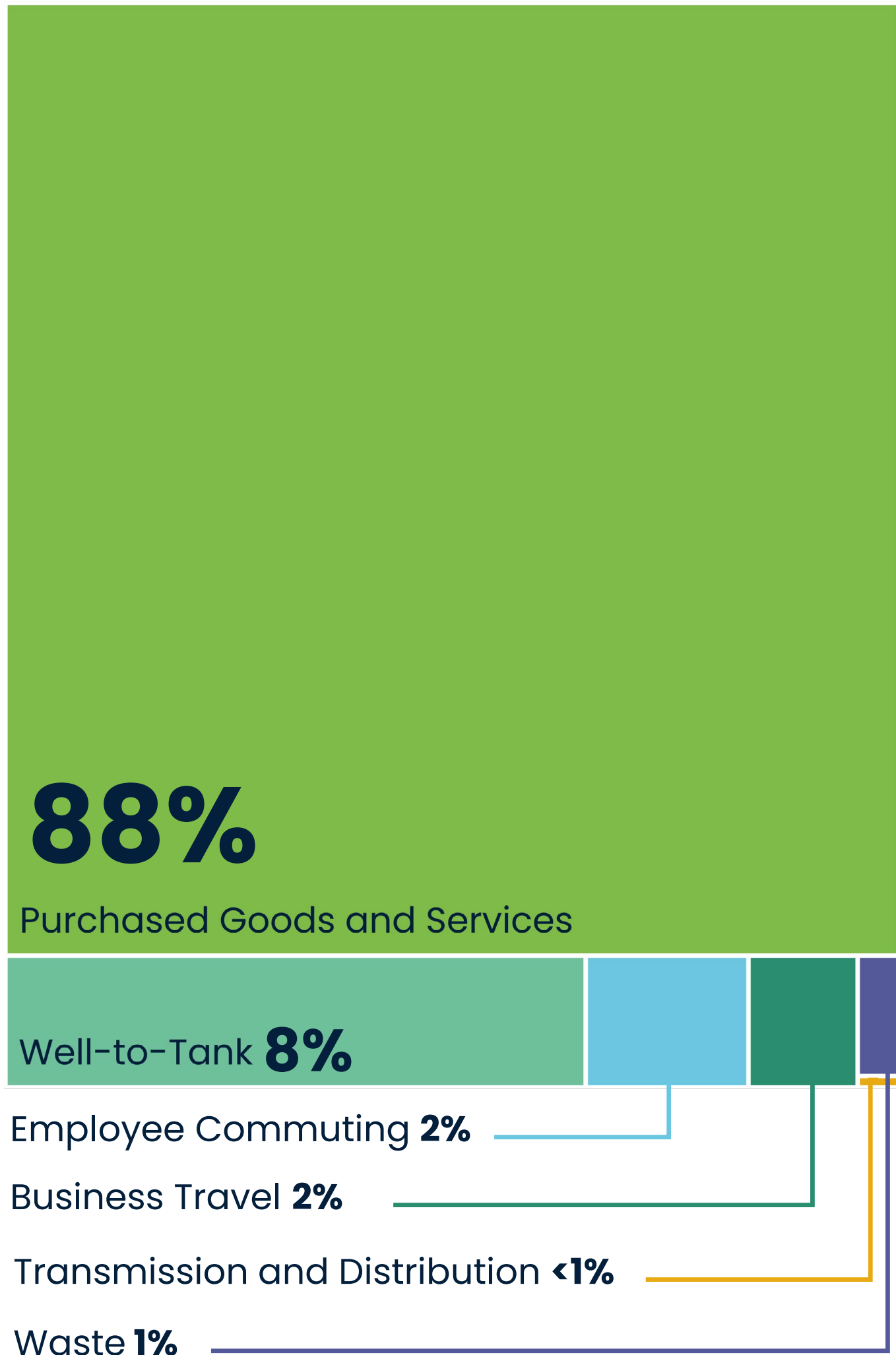
## Independent Third-Party Verification and Benchmarking

Our entire carbon footprint has been annually verified by independent third-party auditor, since 2019. We will continue to work with auditors to provide assurance for our carbon footprint, as well as annually disclosing our carbon data to CDP and EcoVadis.

## Entity Inclusion

To ensure all A&A entities are included within our carbon footprint and decarbonisation strategy, we will continue to expand and re-baseline our carbon reporting, in line with the GHG Protocol and SBTi, to include all new A&A entities within one year of acquisition.

## Scope 3 Emission Sources



# Appendix

## Carbon data

Scope		Category	Source	FY19	FY20	FY21	FY22	FY23
Scope 1			Natural Gas	23	39	30	35	69
			Kerosene	13	14	18	7	7
			Gas Oil	111	52	40	19	-
			Diesel (Fleet)	4,954	4,940	5,726	6,507	7,258
			Petrol (Fleet)	159	148	153	249	374
Scope 2			Purchased Electricity	177	153	136	122	150
Scope 3		Cat. 1	Purchased Goods and Services	9,380	8,790	16,243	16,930	23,707
		Cat. 3	Transmission and Distribution	15	13	12	11	13
		Cat. 3	Well-to-Tank	1,402	1,391	1,615	1,863	2,131
		Cat. 5	Waste	322	322	212	141	141
		Cat. 6	Business Travel	259	213	336	420	401
		Cat. 7	Employee Commuting	391	415	435	573	598
Scope 1				5,260	5,181	5,966	6,815	7,706
Scope 2				177	153	136	122	150
Scope 3				11,768	11,142	18,853	19,937	26,991
Total				17,207	16,487	24,956	26,875	34,848
Scope 1 & 2 tCO <sub>2</sub> e / £ million revenue				59.01	53.37	58.56	57.15	52.40
Scope 3 tCO <sub>2</sub> e / £ million revenue				127.72	111.26	180.90	164.25	180.03