

# Carbon Reduction Plan

Supplier Name: Scotmas

Publication Date: January 2025

## Change in Target: From Net Zero by 2025 to Carbon Neutral by 2027



Scotmas remains committed to reducing our environmental impact, but achieving *Net Zero* by 2025 has proven challenging without a heavy reliance on carbon offset credits. While offsets can play a role in climate action, we believe they should complement—not substitute—genuine emissions reductions within our own operations.

We are therefore refining our approach and setting a new, more meaningful target: to become *Carbon Neutral* by 2027. Carbon neutrality focuses on accurately measuring our current carbon footprint, making sustained and verifiable reductions in our direct emissions, and responsibly offsetting only the residual emissions that cannot yet be eliminated.

### Why move from Net Zero to Carbon Neutral?

Across industries, many companies are re-evaluating their *Net Zero* commitments due to:

1. Stringent standards – Frameworks like the Science Based Targets initiative require deep emission cuts before offsets, making some early timelines unrealistic.
2. Credibility concerns – There's increasing public and regulatory scrutiny of net zero claims that rely too heavily on offsets, often criticised as *greenwashing*.
3. Technological and practical limits – Some necessary low-carbon technologies or supply chain changes are not yet fully available or scalable.
4. Focus on immediate, measurable progress – Carbon neutrality allows companies to show transparent, achievable reductions while still using high-quality offsets responsibly for unavoidable emissions.

By shifting to carbon neutrality, we are ensuring our environmental commitments remain ambitious, achievable, and credible—placing emphasis on tangible change rather than relying on future offsets to meet an earlier deadline.

## 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 2020	
<p><i>Additional Details relating to the Baseline Emissions calculations:</i></p> <p>Despite continued business growth, particularly in exports markets involving significant business travel, the company has chosen to set an absolute Net Zero emissions target against a 2020 (Covid influenced) baseline.</p>	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	121 tCO <sub>2</sub> e
Scope 2	28.9 tCO <sub>2</sub> e
Scope 3 (business travel, employee commuting)	1.97 tCO <sub>2</sub> e
	*baseline was very low due to very little travel during Covid in 2020
<b>Total Emissions</b>	<b>151.87 tCO<sub>2</sub>e</b>

## Current Emissions Reporting

Baseline Year 2024	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	88.62 tCO <sub>2</sub> e
Scope 2	12.13 tCO <sub>2</sub> e
Scope 3 (business travel, employee commuting, transport & distribution)	85.87 tCO <sub>2</sub> e
<b>Total Emissions</b>	<b>186.61 tCO<sub>2</sub>e</b>

## Carbon Reduction Initiatives

### Energy:

- 85 kW Solar Array on our main factory and office building
- Heat pump HVAC controls to reduce energy consumption
- Minor works such as destratification fans, air curtains and improved insulations to reduce heat loss.

### Staff:

- Offer free charging facilities to staff in order to encourage the use of own electric vehicles
- Rolled out the LOVEELECTRIC car scheme, offered for staff to reduce the carbon from 250,000 miles commuted per year in 2020
- Continued participation in Cycle to Work scheme and provision of showers and changing facilities to encourage cycle use
- Complete annual commuter survey encouraging car shares and use of sustainable public transport

### Manufacturing:

- Use 99% recycled or recyclable product packaging
- Engaged with specialist contractors to manage WEEE and to provide better guidance to customers on end-of-life disposal options
- Environmental management system certified to ISO14001

### Governance:

- The carbon tonnages saved as a result of these initiatives form part of our annual CSR reports to shareholders

### In 2024 we:

- Achieved B Corp accreditation
- Maintained our ISO 14001 accreditation
- Replaced all but one of our gas factory heating with air source heat pumps, powered by our solar panels and 100% renewable grid electricity. This saved a further 13.5 tCO<sub>2</sub>e per year
- Completed the transition of all fleet cars from fossil fuel to EV saving 5.6 tCO<sub>2</sub>e per year

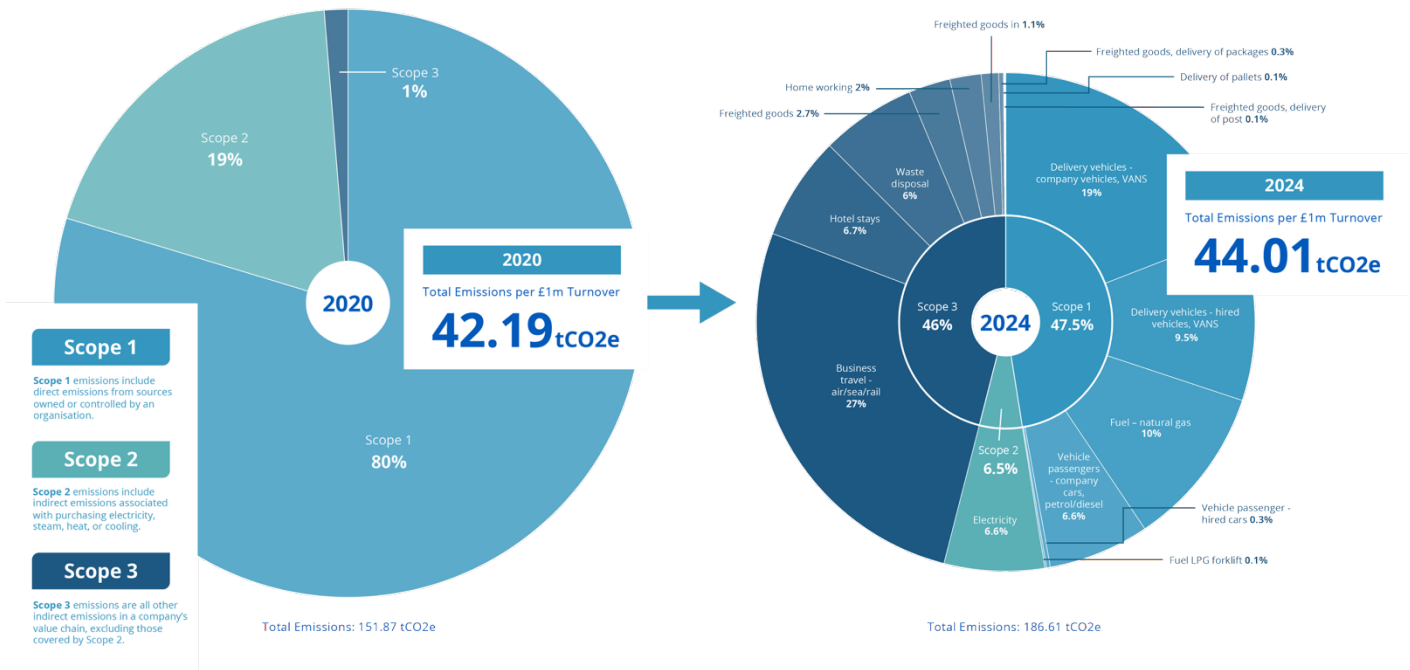


- Through the LOVEELECTRIC car scheme and free at work charging, we encouraged the switch from fossil fuel to EV cars owned by staff from 8% of the total workforce in 2023 to 24% in 2024
- Continued to map and better understand our Scope 3 impacts where relevant to our operations with the roll out of detailed Supplier audits for our top 20 customers (80% of spend)
- Developed our CNC controlled plastic cutting process to incorporate closed-loop recycling - returning off cuts and manufacturing waste to the supplier to be turned into new plastic sheet. From 4162kg purchased 11% (460kg) were returned for closed loop recycling
- Improved the reuse of our water treatment plastic (HDPE) barrels from an average of 2.05 times in 2023 to 2.49 times in 2024

### In 2025 we will:

- Continue the transition of the full company vans to EV – we expect to be fully EV by 2028
- Install 6 x 22 kW electric car chargers to help use excess energy at weekends and evenings – we will continue to give free charging to all staff offering paid charging for the local community – all powered by our solar panels and 100% renewable grid electricity
- Roll out of certified service engineer training and augmented reality remote support tools, with priority given to export markets in order to minimise impact on site travel
- Map those suppliers with poor or no emissions reporting or a Carbon Reduction Plan – offering advice and access to resources to assist with this
- Adopt Triple Bottom Line reporting standards
- Implement grey water recycling initiatives on our site with the intention of halving our domestic water usage
- Set targets and enact operational improvements for increased Closed Loop Recycling to 25% and increase HDPE barrel reuse by 20% to over 3 times
- Begin the process to map the Lifecycle Analysis of our key engineered water treatment systems
- Plan and research the high-quality carbon offset programs we will use in late 2026 to achieve Carbon Neutrality e.g. offering water filtration devices in SE Asia

## Emissions Pie Chart

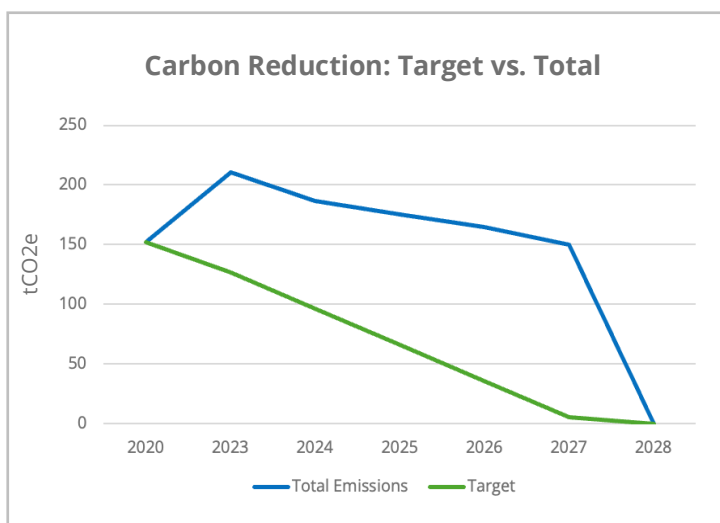


## Scotmas Carbon Neutral 2027

In order to continue our progress to achieving Carbon Neutrality, we have adopted the following carbon reduction targets.

We project that carbon emissions will decrease to 150 tCO<sub>2</sub>e by 2027.

We will then use high-quality offsets from projects such as the EthioTrees (Plan Vivo) – Ethiopia, the Katiangan Peatland Restoration – Indonesia and the Uganda Clean Water Rhino Project to cover the remaining emissions.



*Progress against these targets can be seen in this graph.*

## 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>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

**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:**



Alistair Cameron, CEO

**Date:** 31<sup>st</sup> January 2025

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<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

<sup>2</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup> <https://ghgprotocol.org/standards/scope-3-standard>