



# Net Zero

## Carbon Reduction Plan

July 2023

Be Well.  
Do Well.™

**Pelican**

**Procurement  
Services**™

AN AVENDRA GROUP COMPANY

# Executive Summary



**PUBLICATION DATE: JULY 2023**

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**SIGNED: IAN HOLLIDAY**

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**POSITION: DIRECTOR**

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Climate change has become one of the most important topics for both businesses and individuals around the globe. Its effects can be seen in changes in our weather and impact everyone's daily lives, including business operations, services, products, and supply chains.

At Pelican Procurement Services -an Avendra Group Company, we are committed to minimising our environmental impact and advancing sustainability practices in our business and supply chains. The urgency of the climate crisis has refocused our efforts on innovation, collaboration, and competition on an unprecedented scale.

There is no sustainability practice or effort too small or insignificant once firmly rooted in the intent to do the right thing. Our teams are aligned with our Net Zero objectives, and we are all working together towards it.

Through our net zero plan, Be Well. Do Well. we address all three emissions scopes to positively impact people and the planet for future generations.

As a procurement company, we actively engage with suppliers and manufacturers to promote sustainable solutions. We assist hospitality and catering clients in implementing eco-friendly practices and sourcing sustainable options.

Furthermore, we have invested in the development of our cloud-based e-procurement system, Pi, to help our customers, who are food operators, reduce food waste and lower CO2e emissions in their menus.

Additionally, we offset our carbon footprint (scopes one and two) through reputable offset projects that adhere to rigorous standards and have measurable environmental benefits.

We have taken the time to do our homework to identify areas for improvement and efficiencies across our Scope 1, 2 and 3 emissions. This is about more than pledges and promises, it's about impact and results.

Finally, I want to emphasise that while our Net Zero 2050 commitment is a significant step in our sustainability journey, we recognise that there is still more to be done. At Pelican Procurement Services, we will continue to invest in and work towards operating in a way that positively impacts people and the planet for decades to come. Net Zero is a critical milestone, and I am pleased to endorse the commitments outlined in this report and pledge to support them.

A handwritten signature in black ink, appearing to read 'Ian Holliday', written over a dark blue background.

Ian Holliday

Director, Pelican Procurement Services

# Operational Structure

Pelican Procurement Services is a market-leading professional procurement and supply chain specialist based in the UK with over 30 years of knowledge of the food service and catering sectors. Pelican Procurement Services support individual and multi-site organisations that run their in-house catering operation across hospitality & leisure, education, and healthcare sectors.

Our procurement services and systems help clients achieve substantial cost savings, increase efficiencies, and gain full control and visibility over their day-to-day purchasing and running of their operations.

We support our clients with the management of their procurement and supply chain needs to ensure they achieve their objectives. Our team of procurement specialists have in-depth knowledge of the food & drink industry and provides daily operational support – ensuring that clients are receiving the agreed prices for all the products they buy, at the quality and service levels they expect.

Furthermore, we support clients on their sustainability journey by identifying critical commodities that have the most impact on our planet and sourcing alternative sustainable solutions that will help them to reduce their carbon footprint.

On top of that, Pelican Procurement Services have an in-house award-winning cloud-based procurement system, Pi, that provides full visibility, control and a consistent picture of a catering operation and its impact on finances, at any time, without any manual input. Pi saves valuable time and resources by managing supplier payments, ordering, inventory, menu costing, allergens, and so much more – promoting paperless administration. In addition, we have developed new modules to help our customers to reduce food waste and lower CO<sub>2</sub>e emissions in their menus.



# Our Commitment to Net Zero

Pelican Procurement Services is committed to taking action to reduce our annual emissions and achieving Net Zero emissions by 21 September 2045, five years earlier than the UK government's target. We will aim to reduce our emissions year on year and will achieve:

**49%**

**Absolute reduction in emissions by 2030 from 2021 baseline levels**

**85%**

**Overall reduction in all Green House Gas (GHG) emissions across Scopes 1, 2 and 3 by 2045, offsetting any residual emissions via high-quality nature-based or direct air capture projects**

## HOW WE WILL DO THIS

**WE HAVE CREATED A CARBON REDUCTION PLAN FOR EACH SCOPE AND CATEGORY**

**WE HAVE COMPARED OUR YEAR 2 EMISSIONS WITH OUR YEAR 1 EMISSIONS TO HELP US TO KEEP ON TRACK THROUGH OUR 'MEASUREMENT AND VERIFICATION PROCESS'**

**WE WILL REFLECT ON THE TARGETS AND THE ENVIRONMENTAL MANAGEMENT TECHNIQUES WE'VE UNDERTAKEN**

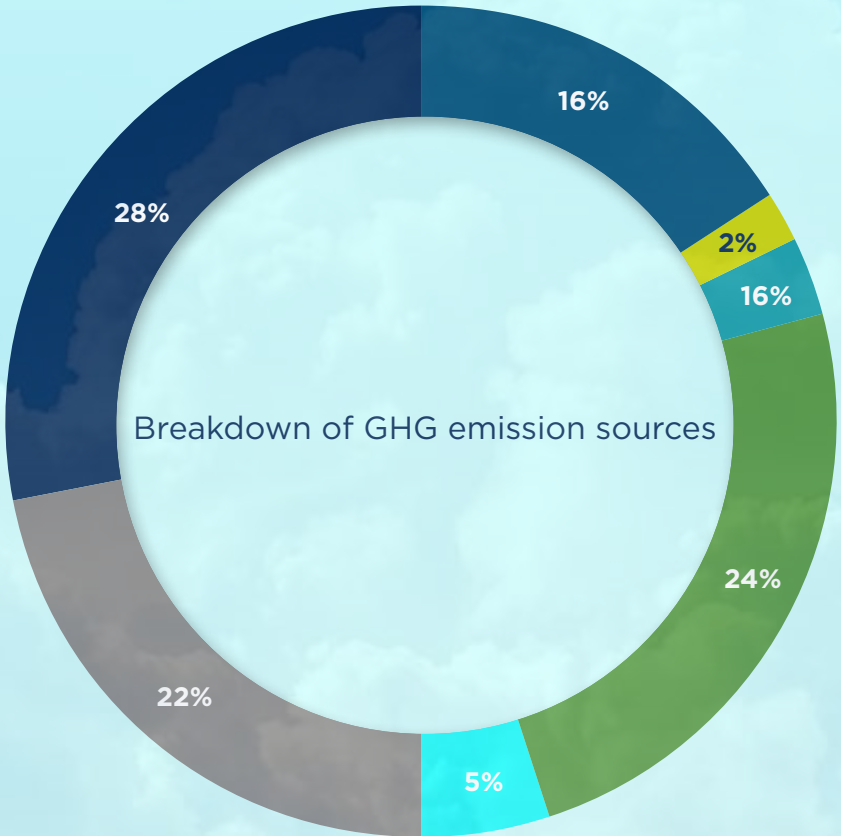
**WE WILL CONSIDER AREAS THAT WE CAN FOCUS ON TO HELP DRIVE DOWN EMISSIONS FURTHER**

**WE HAVE COMMITTED TO UPDATING OUR CARBON FOOTPRINT CALCULATION ANNUALLY**

# GHG Emissions Footprint

Baseline emissions are a record of the greenhouse gases produced in a previous [financial] year before introducing any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. As part of the journey to reduce carbon emissions, we calculated our carbon footprint for our recent financial year (October 2021 – September 2022). Pelican’s Year 2 carbon emissions footprint is as follows:

- Scope 1: Transport 16%
- Scope 1: Stationary combustion (Gas) 2%
- Scope 2: Electricity 3%
- Scope 3. Cat 1: Purchased goods and services 24%
- Scope 3. Cat 3: Other energy services 5%
- Scope 3. Cat 5: Waste 0%
- Scope 3. Cat 6: Business travel 22%
- Scope 3. Cat 7: Employee commute 28%



Below is an itemised breakdown showing the amount of carbon emissions (tCO<sub>2</sub>e) produced by each scope and category.

Scope/Category	Item	Total tCO <sub>2</sub> e (2021 base year)	tCO <sub>2</sub> e 2022	% difference from base year
<b>SCOPE 1</b>				
Stationary combustion of fuels	Gas consumed	2.64	4.28	62%
Transport	Owned and leased vehicles	65.16	39.09	-40%
<b>SCOPE 2</b>				
Electricity (Location based) <sup>1</sup>	Purchased electricity, for own use (grid average)	1.29	7.14	454%
Electricity (Market based) <sup>2</sup>	Purchased electricity, for own use (specific contract)	1.29	7.14	454%
<b>SCOPE 3</b>				
Cat 1: Purchased goods and services	Goods and services	39.77	60.68	55%
Cat 3: Fuel & energy related activities	WTT (Well-To-Tank) & T&D (Transmission & Distribution losses) Scopes 1 and 2	29.42	11.64	-60%
Cat 5: Waste	Waste	1.2	0.48	-60%
Cat 6: Business travel	Land and air travel for business purposes	5.08	56.12	1005%
Cat 7: Employee commuting	Employees commuting to and back from work	41.7	71.68	72%
Total Gross Emissions (Location based)		186.26	251.11	35%
Less emissions avoided by procurement of renewable electricity		0	0	
Less emissions avoided by production of renewable electricity		0	0	
Total Gross Emissions (Market based)		186.26	251.11	35%
Less carbon offsets		(70.00)	(51)	
<b>Total Net Emissions</b>		<b>116.26</b>	<b>200.11</b>	

<sup>1</sup> Location based represents emissions from electricity consumption based on grid average emissions

<sup>2</sup> Market based represents emissions from electricity consumption based on specific energy contracts

# Carbon Offsets

Pelican Procurement Services have a detailed carbon emissions reduction program in place across scope 1,2 and 3. We recognise that we will have some residual carbon emissions we haven't been able to eliminate through our reduction activities each year. We have chosen to offset our residual scope 1 and 2 emissions for 2022 via high quality carbon projects such as the Ghani Solar Renewable Power Project in India, independently verified by Verra to become carbon neutral.

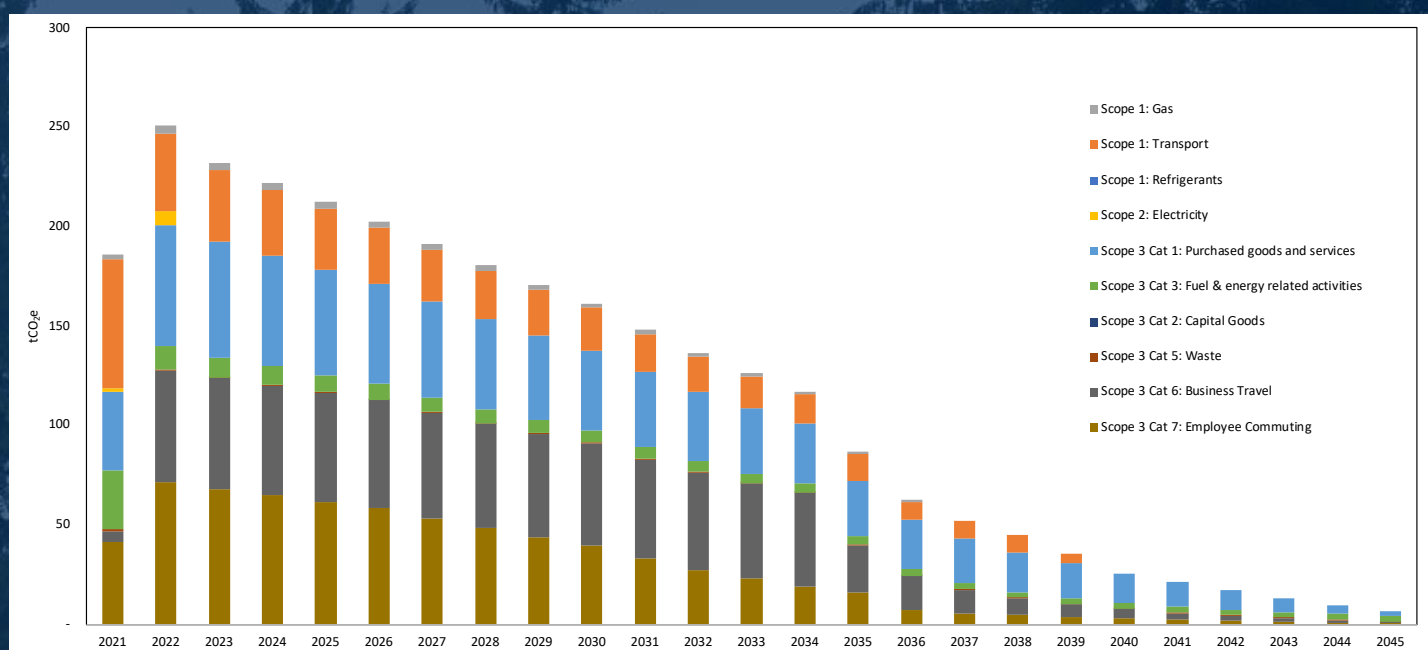


# Emission Reduction Targets

In order to continue Pelican Procurement Services' progress to achieving Net Zero, a number of positive actions have been mapped out and planned in order to achieve the following carbon reduction targets:

- ✓ 26% absolute reduction in emissions by 2025 from 2021 baseline levels
- ✓ 49% absolute reduction in emissions by 2030 from 2021 baseline levels
- ✓ 70% absolute reduction in emissions by 2035 from 2021 baseline levels
- ✓ 81% absolute reduction in emissions by 2040 from 2021 baseline levels
- ✓ 85% absolute reduction in emissions by 2045 from 2021 baseline levels

## Carbon Emission Glidepath tCO<sub>2</sub>e



Pelican Procurement Services' approach is to always focus our efforts on reducing our own emissions, with significant planning and finances set aside to do this. However, a large proportion of Pelican Procurement Services' carbon emissions lie within scope 3, it is difficult to reduce these emissions within the short term as these are within our supply chain where we have influence but not control.

To try and reduce these emissions, Pelican Procurement Services will use our purchase power and choice of suppliers to encourage the correct carbon-reducing behaviour within our supply chain. We will invest in our services and system that will support our clients to reduce their carbon footprint in their operations.



# Current Emissions vs Target Emissions

To keep our target carbon emissions reduction pathway on track to reach our Net Zero goal, we will report our total emissions against our target emissions every year. We are aware as a company that some years we will make better progress than others but by regularly assessing and reporting our emissions we can ensure that we are holding ourselves accountable to our target reductions.

The figure below shows Pelican's absolute emissions.



The overall increase is because of us making more material purchases compared to the base year of 2021. The macro conditions of COVID-19 had a negative material impact on our revenues given the reduction in the activity of the hospitality industry. This explains the artificially low GHG emissions in 2021 versus 2022, with most of the increase coming from Scope 2 electricity due to the office opening, an increase in purchased goods and services and business travelling returning to normal levels that we typically saw pre-covid. However, we have managed to reduce our emissions in areas over which we have control, namely Scope 1: Transport, and our Scope 3 Category 3, Category 5. These are areas in which we have improved our environmental management because of last year's performance review.

Target GHG emissions for 2022 were 174.03 tCO<sub>2</sub>e based on our 2021 Net Zero glidepath. However, this year's total emissions are 251.11 tCO<sub>2</sub>e, this is an increase of 77.08 tCO<sub>2</sub>e from our 2022 target. This is due to our business growth, given the hospitality industry returned to normal, as shown by our increase in turnover. The best measure to reflect this is our intensity of GHG emissions based on turnover, which decreased by 10.1%, from 29.83 (2021) to 26.23 (2022) tCO<sub>2</sub>e per million£ turnover. This shows we are moving in the right direction as we emit less GHG emissions per million pounds in turnover. This is a remarkable achievement for us and shows how we continue to strive to achieve our Net Zero target. For continued transparency, we will annually report both our absolute emissions as well as our emissions compared to turnover.

Intensity ratios	Gross emissions (Location based)		Gross emissions (Market based)		Net emissions	
	2021	2022	2021	2022	2021	2022
tCO <sub>2</sub> e per employee	2.55	3.03	2.55	3.03	1.59	2.86
tCO <sub>2</sub> e per million £ turnover	29.83	26.23	29.83	26.23	18.82	20.91

# Our Emissions Reduction Plan

As a responsible business, Pelican has for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the Pelican Board on global best practices on carbon reduction. We have a detailed carbon emissions reduction plan, the key actions of which are summarised below:



## SCOPE 1: TRANSPORT (OWNED AND LEASED VEHICLES)

- Increased our car fleet by offering better emission vehicles and more comprehensive options for hybrid and AV cars to move away from diesel and petrol-leased vehicles
- Introduced fuel cards for employees to measure fuel consumption across our organisation, allowing for more accurate measurements of greenhouse gas emissions
- Installed four AV chargers at our head office location
- We offer driver training on how to drive more efficiently to reduce emissions



## SCOPE 2: ELECTRICITY

- We rely on CBRE, our landlord for energy provision. CBRE are focused on developing a strategic long-term approach to buying renewable energy, with a target of 100% renewable electricity by 2025
- Our facilities Manager will be gathering up to date monthly energy performance data to provide feedback



## SCOPE 3 CATEGORY 1: PURCHASED GOODS AND SERVICES

- Engage with tier 1 suppliers to first understand their carbon footprint (Scopes 1 and 2) by sending out carbon surveys
- Be selective about working with sophisticated carbon suppliers (where practical), and encourage suppliers to reduce their emissions (where possible)
- Work with suppliers to collaboratively set carbon emissions reductions targets



## SCOPE 3 CATEGORY 5: WASTE

- Engage with tier 1 suppliers to first understand their carbon footprint (Scopes 1 and 2) by sending out carbon surveys
- Be selective about working with sophisticated carbon suppliers (where practical), and encourage suppliers to reduce their emissions (where possible)
- Work with suppliers to collaboratively set carbon emissions reductions targets



### SCOPE 3 CATEGORY 6: BUSINESS TRAVEL

- COVID-19 has taught us that video conferencing tools such as Teams and Zoom can be utilised to conduct meetings successfully. We are encouraging our staff to continue to embrace this technology and, as such, limit travel requirements
- Where travel is required, we will prioritise carbon-reducing travel modes, choosing rail over air and cars
- Increased our car fleet by offering better emission vehicles and more comprehensive options for hybrid and AV cars to move away from diesel and petrol-leased vehicles
- Introduced fuel cards for employees so we can measure fuel consumption more accurately across our organisation, allowing for more accurate measurements of greenhouse gas emissions.
- We offer driver training on how to drive more efficiently to reduce emissions

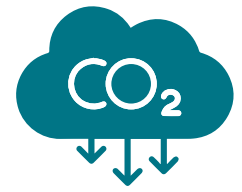


### SCOPE 3 CATEGORY 7: EMPLOYEE COMMUTING

We recognise that we can't massively influence our employees' travel modes. However, we encourage them to join us on our sustainable journey by putting in place these initiatives:

- Cycle-to-work schemes
- Installed 4 EV charge points at our office locations
- Undertaken travel survey of our office employees to understand how they travel to the office and how we can encourage alternative solutions
- Providing information on public transport alternatives
- Encouraging carpool arrangements where possible

# Our Emissions Reduction Plan



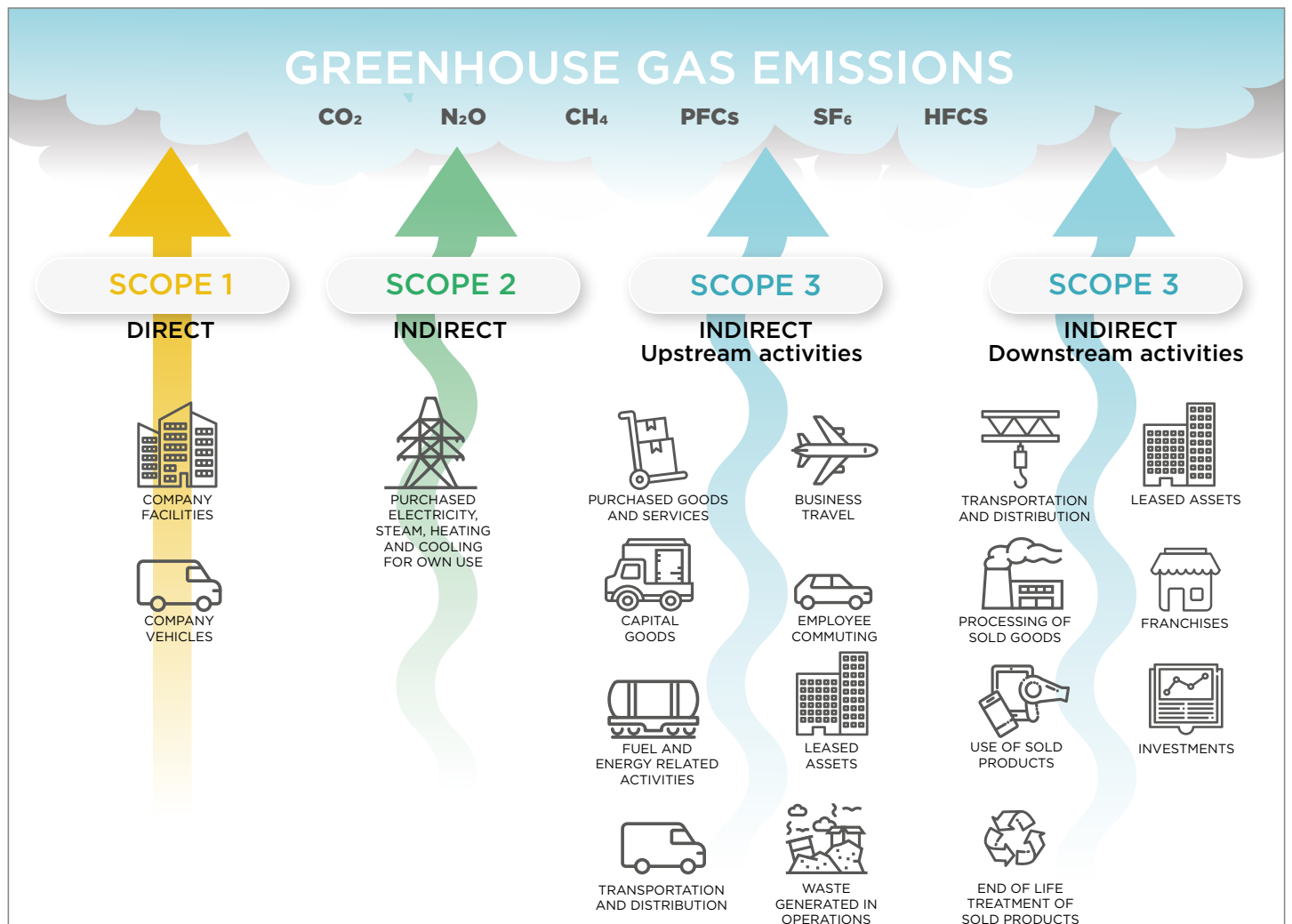
When calculating carbon emissions, the GHG protocol corporate accounting and reporting standard states that a company must set its organisational boundaries. This can be done either by an “Equity Share” or “Control” approach. The Equity Share approach reflects a company’s economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has. To fully cover all its operations and subsidiaries, Pelican Procurement has selected the Operational Control method when setting our organisational boundary. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Pelican Procurement’s emissions are reported in tCO<sub>2</sub>e and have been calculated utilising the following formula:

$$\text{Source emissions data} \times \text{conversion factor}^* = \text{total source emissions}$$

$$\text{Source unit} \times (\text{tCO}_2\text{e/unit}) = \text{tCO}_2\text{e}$$

- \* Conversion factors are primarily derived from the latest:
- UK Government GHG conversion factors for Company Reporting
  - DEFRA (Department for Environmental, Food and Rural Affairs)
  - Environmentally extended input-output (EEIO) tables
    - EPA

## Overview of GHG Protocol scopes and emissions across the value chain



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

# Emissions methodology: Inclusions within current numbers

## Scope 1

Sources included in the inventory are onsite (or “stationary”) natural gas combustion and mobile fuel combustion from leased and owned vehicles. Excluded from the inventory are fugitive emissions of refrigerant gasses.

## Scope 2

Purchased electricity was the only identified scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, scope 2 emissions have been calculated and reported using two separate methodologies:

- Location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting emissions from electricity that Pelican Procurement Services have purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers

## Scope 3

### Category 1: Purchased goods and services

Includes all upstream (i.e., cradle-to-gate) emissions purchased or acquired by Pelican Procurement Services in the reporting year. Pelican Procurement Services have chosen to include all goods and services purchases that account for more than 0.5 % of the annual spend as the focus in the base year calculation.

- Pelican Procurement Services have used the spend based method for this first emissions inventory calculation

### Category 3: Fuel and energy-related services

This relates to transportation and distribution losses, and the well to tank emissions for all fuels consumed as a result of Pelican Procurement Services’ operation

- Well to tank emissions account for all the emissions related to the extraction, production and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by company owned or leased vehicles, employees’ vehicles used for commuting, vehicles used for business travel etc)

### Category 5: Waste

Includes emissions from third-party disposal and treatment of waste generated in Pelican Procurement Services’ operations in the reporting year

- We have utilised the Waste-type-specific method, which involves using emission factors for specific waste types and waste treatment methods
- The base year excludes emissions from disposal of both solid waste and wastewater which will be included in future years

### Category 6: Business travel

Includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars

- We have used the distance-based method, which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used where possible
- We have used the number of nights stayed in hotels to calculate the emissions

### Category 7: Employee commuting

Includes emissions from the transportation of employees between their homes and Pelican Procurement Services’ office. Emissions from employee commuting may arise from car, bus, train or cab travel

- We have undertaken an employee travel survey which involves collecting data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and applying appropriate emission factors for the modes used using the distance-based method.

## Emissions methodology – Material exclusions from current numbers:

Due to the nature of Pelican Procurement Services’ business as a catering procurement company their downstream Scope 3 emissions are not material and as such have been excluded.

# Conclusion

At Pelican Procurement Services, we will continue moving towards operating practices that positively impact people and the planet for decades.

Our work in this regard will range from investing in expertise, providing business-wide sustainability training, adopting sustainable policies and solutions, and implementing accessible tools and guides to ensure we adopt the best sustainable practices.

Net Zero is a critical step on our journey to a sustainable future, and I'm delighted to endorse the roadmap and commitments outlined in this pledge.

We will constantly examine and revise these commitments, considering new ways of working, new technology and other innovations as they become available and driving improvements in our supply chain.

We are proud to strive to build a high-integrity and sustainable supply chain by continually reducing our environmental, social and economic impact by working together with our clients and supply chain partners on this journey because we can achieve more together!



**Ian Holliday**

Director  
Pelican Procurement Services

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