

Carbon Reduction Plan - Bidfood

Supplier name: Bidfood (a trading name of BFS Group Limited, company number 239718)

Publication date: 1st September 2023 (Version 5)

Commitment to achieving Net Zero

Bidfood is aiming to achieve net zero greenhouse gas emissions by 2045.

Baseline Emissions Footprint (2018/19)

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.

Please note: The baseline emissions for FY 2019 were retrospectively calculated in 2022, as part of our 2045 net zero ambition. We chose 2019 because at the time of embarking on our net zero ambition, it was the last ‘normal’ year of operations to be entirely unimpacted by Covid. To create our baseline, we engaged with a third party carbon consultancy. All other years’ scope 3 data is limited to a narrower scope (as per descriptors below) but fully externally verified. As part of our learnings, in the future we intend to report on wider scope 3 emissions, including Purchased goods, due to their significance, but we haven’t repeated this since baselining activity as yet, due to very little progress in scope 3 data quality or availability. Engaging our suppliers in measuring and reducing emissions is a key initiative identified for the management of greenhouse gas emissions going forward, as we aim to accurately measure and reduce our full carbon footprint. Following a number of organisational changes we intend to rebaseline within the next few years.

EMISSIONS (tCO ₂ e)	Bidfood
Scope 1	45,594
Scope 2	16,845 (Market-based method.) 11,315 (Location-based method)
Scope 3 (Included Sources)	1,884,575 (Total) Made up of: Purchased Goods and Services – 1,835,798 Capital Goods – 21,445 Fuel-and-energy-related activity – 11,896 Upstream logistics – 2,573 Waste generated in operations – 191 Business travel – 629 Employee commuting – 12,039

	Downstream logistics – 0 Use and processing of of sold product – 0 End of life treatment of sold products – 0 Downstream leased assets - 4
Total Emissions	1,958,329

Current Emissions Reporting

Reporting Year: 2022/23 (Fully independently verified in line with the HM Government document <i>Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance</i>).	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	46,929 (Gross)
Scope 2	9,368 (Gross)
Scope 3 (Included Sources)	275.1 (Gross) Emissions from Waste: Non-recyclable (landfill, energy recovery, other) Recyclable (ABP & Food, card, shrink-wrap, secure shredding, dry mixed recycling, glass, ad hoc food disposal, white pallets, scrap metal, other) Emissions for business travel from hire cars. *Scope 3 emissions verified to a reasonable level of assurance.
Total Emissions (i.e. Scope 1, 2 and limited scope 3)	56,572 (Gross) 56,267 (NET) Taking into account emissions reduction from PV generated electricity not consumed on site and passed onto the grid.

Emissions reduction targets

We've set an ambition to achieve net zero emissions by 2045. We've mapped our carbon footprint across all scopes (1, 2 and 3) baseline (2018/19) and our intended emissions reduction trajectory includes both medium and long term targets. We have aligned with max 1.5C warming for scopes 1 and 2, and well below 2c for Scope 3. Our ambition is to have reduced absolute carbon emissions by at least 90% by 2045, with the residual offset, which is a science-based approach toward achieving net zero. Our targets are:

Medium term:

Reduce both Scope 1 and 2 emissions by 55% against a 2019 baseline by 2032

Reduce Scope 3 emissions by 32% against a 2019 baseline by 2032

Long term:

Version 4: September 2023

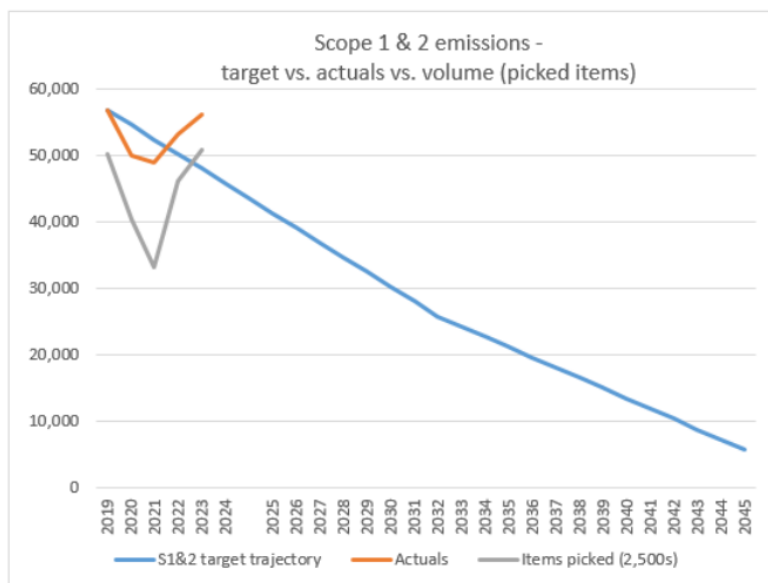
Owner: Head of Sustainability

Reduce Scope 1,2 and 3 emissions by at least 90% by 2045, with the residual emissions offset to achieve net zero.

The CRP template requires us to quantify reductions in tCO₂e against our target timeframes. Ideally, we wouldn't specify absolute tonnages against these targets due to frequent organisational changes (e.g. acquisitions) which means our baseline needs frequent recalibration.

However, to fulfil the requirements of the CRP, the reduction trajectory (for scope 1 and 2 emissions only) would mean that our baseline total Scope 1 and 2 emissions for FY 2019 (56,909, using location based method for Scope 2) would decrease by 56.6% to 25,837 tCO₂e by 2032, and decrease further still to 5,691 by 2045. Please note, we haven't included Scope 3 in this calculation, as approximately 92% of our scope 3 emissions are driven by purchased goods, which we haven't recalculated since 2019.

The emissions trajectory (actual vs. target, plotted against items picked (for context) is shown below.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to 171 tCO₂e (avoided plus exported), and the measures will be continue to be in effect when performing all future contracts, barring circumstances beyond our control. Overall scope 2 emissions have decreased by 20% since our 2019 baseline, but there are so many contributory factors that this reduction can't be attributable purely to the solar project due to organisational changes and many changes to our depot estate during that time.

Solar panel installation

Please see figures below on the PV systems installed under Phase 1 of the Solar Project (Liverpool, Nottingham, Paddock Wood, Salisbury and Worthing). Note: these are calculated from commissioning date to 30th June 2023 and have been subject to estimations due to lack of

actual export data on three of the installs however the figures have been verified by Lucideon, our external assurer.

	Since Commissioning - 30th June 2023				
	PV Generation (kWh)	Onsite Consumption (kWh)	PV Export (kWh)	tCO2e Avoided	tCO2e Exported
Nottingham	296,726	257,373	39,353 *	53	8
Paddock Wood	295,327	180,029	27,306 *	37	6
Liverpool	53,209	46,265	6,944 **	10	1
Salisbury	206,551	156,972	49,579 **	33	10
Worthing	68,120	56,259	9,343 **	12	2
Total	919,932	696,898	132,525	144	27

* Nottingham and Paddock Wood export is based on actual export data

** Liverpool, Salisbury, Worthing export estimated as actual data is not available as currently unmetered.

Note on terms used:

tCO2e avoided is based on the PV electricity consumed that would have otherwise been grid electricity

tCO2e exported is the PV electricity exported back to the grid, and therefore what we are able to nett off our total emissions.

In addition to having implemented the above initiative, we've provided an overview (below) of key drivers of each scope of emissions and our plans to decarbonise in each area.

Scope 1

Our scope 1 emissions are largely made up of diesel emissions from our 1000+ strong vehicle fleet, plus any refrigerant leaks from our chillers and freezers.

Diesel emissions – monitoring alternative fuels and engine types

We carried out a trial of HVO (hydro-treated vegetable oil) on a number of our vehicles at Edinburgh depot throughout a large part of 2022. This gave mixed results depending on the manufacturer of the vehicle; CO2e reductions varied from 30% up to 90%, and we have concerns around the sustainable provenance of HVO, given the growth in demand. We decided not to continue with HVO; we're reviewing other fleet options such as electric and hydrogen, keeping a close eye on technological developments in this area. We have had an electric vehicle operating out of Battersea for some time. Alternative fuels and vehicle types are a lever for Scope 1 reduction and we're fully engaged with identifying realistic and commercially viable fleet and fuel related targets.

Employee business mileage

In common with most businesses, we've decreased our employee business mileage, as working from home and virtual meetings reduce the need to travel. 2021/2022 saw an increase in employee mileage as employees returned to the office and face-to-face meetings resumed.

Version 4: September 2023

Owner: Head of Sustainability

However, we have seen an increase in the number of employees using hybrid and electric vehicles. We expect to see business mileage trend downwards, as we develop our video-conferencing facilities further (e.g. 4 new VC pods installed at Slough Business Support Centre in 2023).

Refrigerant leaks

Different refrigerants are used across our depot network. Some refrigerants have a higher GWP than others (Global Warming Potential) which makes it important to minimise leaks from those systems. Refrigerant loss at small levels is inevitable throughout the life of a system. Significant leaks can also occur but we have a robust maintenance regime in place to minimise the risk of these. The best performing refrigerants in terms of GWP are ammonia and CO₂, which have a GWP of 0 and 1 respectively. CO₂ is our refrigerant of choice whenever a new system is installed or a system needs replacing, so over time high GWP refrigerants will be phased out. Later in 2023, our environmental steering group will be reviewing our approach to refrigerants to assess what we can do beyond this, to accelerate emissions reduction. We now have five sites using CO₂ as refrigerant and seven sites using ammonia.

Scope 2

Scope 2 – On-site renewable energy generation

Scope 2 emissions are 'indirect' emissions, in that they are those created in the course of producing electricity for the National Grid. Our electricity consumption therefore drives our share of Scope 2 emissions. The less 'grid' energy we consume, the lower our Scope 2 emissions. We've had solar panels in place at our Chepstow depot for some time, and have recently added panels to the roof at Paddock Wood, Worthing, Nottingham, Liverpool and Salisbury, as evidenced in the section above detailing completed carbon reduction initiatives. The extent to which we can retrofit solar panels depends on many factors, including the load-bearing capacity of the roof as well as lease arrangements for the site. The solar project is ongoing and this document will be updated as and when further sites are identified; 17 sites have been highlighted for review of solar. It should also be noted that Scope 2 emissions will decrease as a logical consequence of the National Grid being gradually decarbonised across the UK, as part of the UK government's commitment to net zero.

Scope 3

Full annual reporting of Scope 3 emissions is relatively new for most companies; it's a challenging area as value chains can be complex, long, and not always transparent or traceable. Scope 3 includes several categories of emissions, and when it comes to annual reporting, we currently only measure and verify our Scope 3 emissions for waste. However, we are gradually getting a grasp on the scale of our scope 3 emissions, thanks to the baselining activity carried out as part of our net zero target setting.

Food-derived emissions ('Purchased Goods' category)

By far the biggest contributor to our total carbon footprint is the Purchased Goods category, in other words, emissions embodied and associated with the food we buy from our range of suppliers.

The current availability and quality of data in food supply chains for the wholesale sector means that our purchased goods emissions calculations are based on total spend (the minimum acceptable data quality for the GHG protocol). To try and improve data quality and to address the challenges listed above, we were one of a number of organisations in the food industry that contributed to the development of [WRAP's Scope 3 Protocols for Food and Drink](#), which aim to become the standard for food and drink emissions reporting. We plan to gradually replace spend-based data with better quality data to ensure reporting accuracy. We are also part of WRAP's GHG reporting working group, which means that we are well-placed to keep customers updated on this fast-evolving area.

We plan to commence a Proof of Concept of a sustainability tool to assist carbon labelling by product – focussing initially on our own brand products and a single category of branded products. This will start with the use of generic data to allow supplier engagement activity to drive data improvement and reduce product level carbon footprints. We also intend to run a materiality vs. maturity exercise to support in identifying a group of key suppliers that we will actively engage with to encourage them to focus on decarbonisation of food supply. Whilst doing this, we are mindful that greenhouse gas emissions are only part of the environmental impact of food, and that there are many other impacts to be borne in mind (e.g. biodiversity impacts, water-quality and quantity, nutritional impacts of plant vs. dairy, etc.) so we encourage customers to bear in mind the wider picture whenever discussing product carbon footprints.

We've identified that approximately 200 of our suppliers are responsible for 80% of our Scope 3 purchased goods emissions, so this helps us to prioritise in terms of supplier engagement activity. Many of this priority group will be larger branded suppliers who already have decarbonisation plans in place, however we will actively engage with less mature suppliers to support awareness, knowledge and decarbonisation plans.

To address deforestation in food supply chains, we have a sustainable palm oil policy which can be viewed at <https://www.bidfood.co.uk/sustainability/our-policies/>. In 2023 we also became members of the UK Roundtable on Sustainable Soya, to add our influence and voice to drive improvements in the production of soya, as both an ingredient and embedded product in meat supply chains (due to its use in animal feed.) Our soya policy is soon to be published on the page above.

Food Waste Reduction

We've been active on our food waste reduction commitment, in many ways:

Reducing our own waste - We provide annual data to WRAP as part of our commitment to Target, Measure and Act on Food Waste. We've worked hard on both reduction of waste as well as improving data quality; in 2020 we felt confident enough in our data to set this as our baseline year (N.B. food waste is reported to WRAP in calendar years, not financial years) and our year-on-year progress is shown in the table on the right. L15, L15a and L15b

	Baseline year		
Calendar year	2020	2021	2022
Food sales (£M)	1065	1301	1759
Tonnes of food sold as intended	489,599	571,344	720,144
Food waste (tonnes)	2,005	1,854	1,761

Food waste (t) per £M food sales	1.88	1.43	1.00
Food waste as % of food sold	0.41%	0.32%	0.24%

Increasing food waste redistribution - We continue our long-running partnership with [FareShare](#) and a range of other food redistribution charities. We review our performance with FareShare on a quarterly basis, looking at which depots are donating food and identifying opportunities for greater food redistribution.

We have also strongly supported Hope4 charity in Moldova who support Ukrainian refugees displaced by the war in the homeland – both with short dated / redundant stock as well as donation by ourselves and our fantastic suppliers.

Campaigning - Food Waste Action Week 2022 ran from 7th – 13th March and we were really glad to help amplify the messages of this campaign, which emphasised the role of food waste in driving climate change, due to methane generation in landfill. We created our own [food waste guide](#), to help motivate employees to act on their own household food waste, by tapping into not only environmental messages but also the motivation to save money amidst rising food prices. We also promoted a [blog](#) for customers, sharing this on social media.

In the future we will implement many further measures to further reduce our GHG emissions; these will be defined once we create our net zero roadmap. We have published a '[Journey to net zero](#)' [blog](#) to explain our progress and encourage customers to start their own journey.

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 (or equivalent management body).

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>

Signed on behalf of the Supplier:



.....

Date:1st September 2023.....