Carbon Reduction Plan - Bidfood

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

Publication date: 30th January 2025 (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 the reference point against which emissions reduction can be measured.

Baseline Year: 2019	
Additional details relating to the baseline emissions calculations.	
Please note: The baseline emissions for financial year 2019 were retrospectively calculated in 2022, as part of our 2045 net zero ambition. We chose FY 2019 because at the time of embarking on this ambition, it was the last 'normal' year of operations to be entirely unaffected by Covid-19. 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 the Purchased goods category, due to their significance, but we haven't repeated this since baselining activity as yet, due to 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 have committed to re-baseline for FY 2024.	
Baseline year emissions:	
BIDFOOD EMISSIONS	**TOTAL (tCO_2e)**
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 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: FY 2024 (Fully independently verified in line with the HM Government document *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance*.).	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	53,577 (Gross)
Scope 2	10,411 (Location based)
Scope 3 **(Included Sources)**	88.44 (Waste) 48.39 (Hire Cars) 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)**	64,124.83 (Gross) 64,061.36 (NET) Taking into account emissions reduction from PV generated electricity not consumed on site and passed onto the grid.

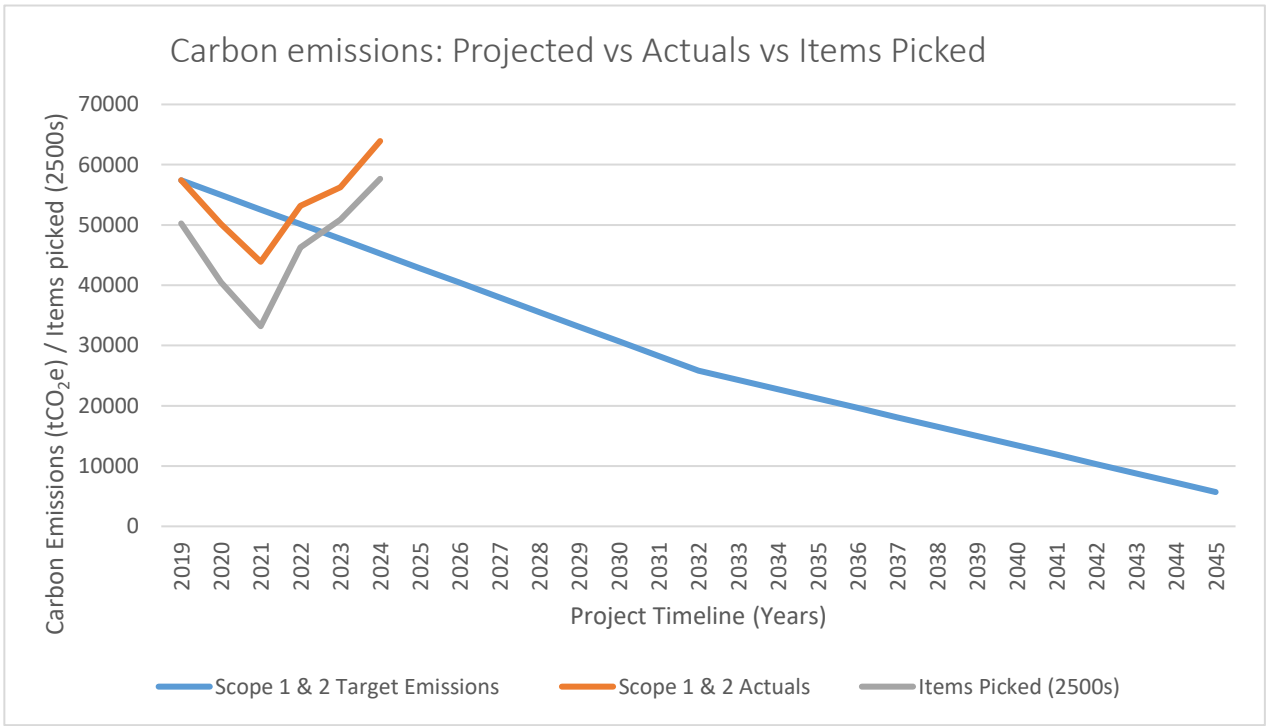
Emissions reduction targets

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 (FY 2019) and our intended emissions reduction trajectory includes both medium and long term targets. We have aligned with max 1.5°C warming for scopes 1 and 2, and well below 2°c 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:
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 tCO_2e 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. We have recently committed (January 2025) to the recalculation of our baseline at BFS Group level. Our previous baseline was based on FY 2019, however since that point, we've had significant organisational changes and to ensure an accurate comparison of emission data over time, we are recalculating our baseline, in line with the GHG Protocol at Bidcorp UK level for FY 2024. Additionally, on completion of our re-baseline we are committed to gaining SBTi approval of medium term and net zero targets, with the help of external consultants. 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, for which we are gathering data and refining categorisation.

The emissions trajectory is plotted against items picked, for relative comparison and can be seen in the graph 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 since commissioning, equate to 647 tCO2e (avoided plus exported), and the measures will continue to be in effect when performing all future contracts, barring circumstances beyond our control. Overall scope 2 emissions have decreased by 11.4% 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 as part 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 2024					
	PV Generation (kWh)	Onsite Consumption (kWh)	PV Export (kWh)	tCO2e Avoided (using PV instead of Grid)	tCO2e from Export
Nottingham	875,867	722,215	150,360 *	150	31
Paddock Wood	944,105	806,070	50,044 *	167	10
Liverpool	411,710	350,707	61,003 **	73	13
Salisbury	642,402	518,166	124,236 **	107	26
Worthing	340,771	286,394	51,859 **	59	11
Total	**3,214,854**	**2,683,551**	**437,502**	**556**	**91**

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

** Liverpool, Salisbury and Worthing export is 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. There has been a 13.2% increase in cases delivered in FY 2024 compared to FY 2023 resulting in a 18.5% increase in emissions from fleet diesel as several new national customer contracts commenced and Oliver Kay (including 3 main operational depots and associated delivery fleet, from our sister company

Bidfresh Limited from 1st July 2023.) came under the reporting scope. Scope 1 & 2 CO2e (kg) intensity per case delivered has subsequently increased marginally from 0.38 CO2e/kg to 0.39CO2e/kg.

Diesel emissions – monitoring alternative fuels and engine types
Currently, we do not have any BEVs on fleet, a small number of trials have been conducted over the last 18 months, but there are currently no plans to buy or lease any BEV's. We are however exploring the option of running some more trials in the next 12 months.

We're continuously exploring new and advancing fuel technologies, we are looking at trialling more electric and hydro cell vehicles in the future. There are currently only eight hydrogen fuelling points across the UK, however we have gained authority to utilise the hydrogen refuelling point at Heathrow which will open up opportunities for us in this area. We're working with fuel cell battery electric vehicle (FCBEV) original equipment manufacturers (OEM's) whilst they develop their product to keep at the cutting edge of any new developments. Additionally, we've recently completed a successful trial of Aerodyne kits on our vehicles. This design smooths the passage of air around trucks, reducing fuel consumption by over 8%, resulting in a reduction in CO2e as well as improving overall performance and vehicle stability. These kits will be fitted on circa 300 new build vehicles in 2025; the first vehicles should be on the road by the end of January 2025.

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. FY 2024 saw an increase in employee mileage, due to an increased requirement for site meetings. However, we have also seen an increase in the number of employees using hybrid and electric vehicles, as more employees are eligible for our car cash allowance scheme.

Refrigerant leaks
Our depots and lorries have many refrigeration systems in place to keep food cool, which is made possible by a number of gases called F-gases. Emissions are only produced when there are refrigerant leaks; loss at small levels is inevitable throughout the life of a coolant system. Our refrigerant of choice for all new and replacement systems is CO_2, which has global warming potential (GWP) of only 1 and doesn't carry the same health and safety risks of ammonia (zero GWP). Our Glasgow depot has successfully installed a refrigeration system which uses carbon dioxide (CO_2) as the refrigerant and has been in full operation since November 2022. The CO_2 refrigeration systems are located externally, adjacent to the building, and provide cooling to a freezer, chill store and marshalling area. The site's core freezer system maintains a temperature of -25°C, with a design cooling duty of 245kW, while the chill areas operate at +2°C and have a combined cooling duty of 268kW. To ensure optimal air circulation and a consistent temperature throughout the facility, multiple coolers equipped with efficient EC fans have been installed. Running at a speed of 50%, these fans offer savings of up to 87.5% over their traditional counterparts. The cooling plant has also been fitted with a heat recovery system which repurposes waste heat for underfloor heating and provides warm glycol defrost on the air coolers. Its control system offers real-time data monitoring, fault dial out and remote access capabilities to allow for swift performance adjustments, and ongoing maintenance. The results reveal that the

Specific Energy Consumption at Bidfood's Glasgow site stands at 10.2 kWh/m³/year - an energy consumption that is half of that of the UK's best practice industry standard of 20.4 kWh/m³/year. This translates into a CO_2 emissions reduction of 77 tonnes annually.

In 2024, we completed a full F-gas review covering our on-site installations and our fleet, giving us full visibility of all F-gas operating system types and age profiles. The maintenance and re-fit schedule will now be based on age of asset, taking into account evolving restrictions related to F-gas systems and emerging technologies. Despite the growth in the property portfolio, emissions from estate refrigeration plants have fallen by almost 34% since 2019. This reflects the improvements in plant maintenance over the years and the transition to lower GWP refrigerants. Additionally, emissions from fleet refrigeration have reduced by over 4% since 2019.

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 National Grid electricity (which we use).. The less 'grid' energy we consume, the lower our Scope 2 emissions. The 5 PV systems installed last year were operational for the full 2024 financial reporting period and consumption of renewable electricity generated on site has more than doubled compared to FY 2023. There has also been an increase in the amount of renewable electricity exported to the grid resulting in an emission savings of 63.47tonnes CO_2e. Bidfood has also exported c. 304,977 kWh to the grid which is the equivalent of over 63.15 tCO_2e. There are no further solar panel installations planned at present. 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 and our partnership with CarbonCloud.

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 Green House Gas (GHG) protocol). At the end of 2023, we announced a new partnership with CarbonCloud, who will use a combination of generic GHG data and product-specific carbon date to calculate the carbon footprint of all consumable products (food and drink) across our range. Following a process of supplier engagement and alignment. We're working to provide customers with this information to support reporting and provide visibility. CarbonCloud's dedicated platform and consistent calculation methodology enable us to provide carbon footprint data for all our products. We will inevitably have better

quality data on own brand products as we hold a greater level of product specific / recipe related information, driving a more accurate initial measurement. Following the engagement of suppliers in this initiative, explaining our approach and methodology in carbon foot printing we will provide suppliers access to the CarbonCloud system allowing them to present improved product/supplier specific data, enabling the accuracy of calculations to be improved over time. This provides suppliers with visibility of product level emissions and key drivers by stage to understand more about the climate impacts of the food they are producing, as well as an opportunity to differentiate themselves in the marketplace, by innovating (in the cultivation and/or processing and/or transportation of the product) to lower the carbon impact. While we trade with more than a thousand suppliers, we will focus initially on our top 250 suppliers as they account for circa 80% of our scope 3, emissions. We've been able to rate their responses on a maturity / engagement scale which helps us to support them with appropriate levels of engagement. Further research indicated that 92.5% of our top suppliers, state that "Carbon Reduction is a priority" with 23% having baselined all scopes in full. Once engaged with suppliers, we aim to drive greater momentum in the decarbonisation of global food supply, contributing to a lower scope 3 carbon footprint for our customers, their customers and ourselves. Our progress will be updated in our Carbon Reduction Roadmap.

Whilst doing this, we're 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.

To address deforestation in food supply chains, we have a Sustainable Palm Oil Policy. 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 Sustainable Sourcing Soya Policy can also be found on Our policies page.

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

Reducing our own waste
We report publicly on our food waste, as part of our commitment to WRAP's Food Waste Reduction Roadmap. This is calculated using calendar year data, and in 2023 our food waste remained consistent at 0.24% of total food handled. This is unchanged since 2022; the lack of progress was symptomatic of challenges in UK egg supply; we temporarily switched to the EU to meet the shortfall in June 2023, but demand also unpredictably fell, resulting in a surplus. That said, we've nevertheless maintained a food waste reduction of 26% since the baseline, so with continued effort, we aim to reach a reduction of 63% by 2030.

Within our operations, we take several proactive steps to minimise food waste. We promote our employee discount scheme, for staff to purchase short dated stock at a reduced cost and utilise our internal telesales department to offer local business products at a minimal price. Stock that is still unsold is offered to food redistribution organisations, e.g. Fare share, or sold at a reduced price to commercial redistributors. We actively review all write-off caused by packaging or inbound issues to minimise chance of recurrence and create depot buddies so stock can be moved outside our normal operational transfers, moving stock to where it's most in demand.

Additionally we contact suppliers to assess the feasibility of date extension and record all best before dates of all products entered into our system to run reports to highlight any short shelf life products, allowing us to be proactively minimise waste. We also explore appropriate routes to market such as developing a business-to-consumer platform during the pandemic, enabling us to offer unsold food to households rather than businesses.

Additionally, 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.

	Baseline year			
Calendar year	2020	2021	2022	2023
Food sales (£M)	1065	1301	1759	2344
Tonnes of food sold as intended	489,599	571,344	720,144	831,197
Food waste (tonnes)	2,005	1,854	1,761	1,986
Food waste (t) per £M food sales	1.88	1.43	1.00	0.85
Food waste as % of food sold	0.41%	0.32%	0.24%	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. In the FY 2024 we donated a total of 205 tonnes of food to FareShare, equating to 488.1k meals. We have avoided 5.60 tonnes of CO2 by diverting food to charitable causes and other methods of redistribution rather than sending it to anaerobic digestion. 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.

Supporting our supply chain

We work with our supply chain to minimise food waste by working as hard as we can to accurately forecast demand using customer and market insights, as well as taking into account weather variations and their impact on demand (e.g. demand for BBQ food and ice-cream are heavily weather dependent and geographically variable). We aim to forecast from an availability perspective, to ensure product is in the right place at right time to avoid write off for us and suppliers. We review minimum order quantities with suppliers when demand drops, and liaise with suppliers regarding discounts to pass onto our customers, when suppliers have a surplus of stock and need to drive sales and focus on range rationalisation, where we sell multiple similar products. Additionally, we increase the range of order-to-order product, ensuring stock is purchased in direct response to demand and not held locally at depots.

Supporting our customers

We also support customers with food waste reduction by encouraging them to sign up to Guardians Of Grub and making use of WRAP's online resources and guidance for reducing food waste, as well as WRAP's Guardians of Grub Cost saving skills courses. We promote the use of consumer facing food waste apps such as *Too Good to Go* or *Olio*. We also produced our 'Unlock your menu campaign' which gives guidance on food waste reduction and produce blogs and podcasts which feature this theme from time to time.

In the future we will implement many further measures to further reduce our GHG emissions; these will be defined in our Carbon Reduction Roadmap.

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[1] and uses the appropriate Government emission conversion factors for greenhouse Gas Company reporting[2].

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[3].

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:

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Date: ……30th January 2025……..…….

[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