



07/02/2022

# Carbon Reduction Plan

PPN 06/21

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This Carbon Reduction Plan conforms to the requirements of Procurement Policy Note PPN06/21; “Taking into account of Carbon Reduction Plans in the procurement of major government contracts”, published in June 2021.

The De La Rue financial year starts on 1<sup>st</sup> April and ends on the 30<sup>th</sup> of March; our carbon reporting has been aligned to this reporting cycle since the financial year 2000. The current reporting period covered by this plan is for the financial year 2020/21.

## Commitment to Achieving Net Zero

De La Rue PLC is committed to achieving Net Zero emissions by 2050 for its UK operations under De La Rue International Ltd.

## 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. Our Scope 1, 2 and 3 emissions represent energy use for which De La Rue is responsible, including electricity, gas, process, and fugitive emissions in our UK facilities. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2020 from DEFRA.



<b>Baseline Year: FY2019-20</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
Our baseline emissions cover Scope 1, Scope 2 and Scope 3 as required and published in our annual report. The baseline stated covers the period from April 2019 to the end of March 2020.	
<b>Baseline year emissions: 2019</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>4,262</b>
<b>Scope 2</b>	<b>1,210</b>
<b>Scope 3<sup>1</sup> (Included Sources)</b>	<b>204,328</b> (Sources; 94% are Purchased goods & services including capital goods, Upstream transport & distribution, Fuel & energy related activities, all other categories = 6%).
<b>Total Emissions</b>	<b>209,800</b>

<b>Reporting Year: FY2020-21</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>4,073</b>
<b>Scope 2</b>	<b>328</b>
<b>Scope 3<sup>2</sup> (Included Sources)</b>	<b>128,906</b> (Sources; 93% are Purchased goods & services including capital goods, Upstream transport & distribution, Fuel & energy related activities, all other categories = 7%).
<b>Total Emissions</b>	<b>133,307</b>

## Emissions Reduction Target

<sup>1</sup> This accounts for group-wide Scope 3 emissions including our global sites.

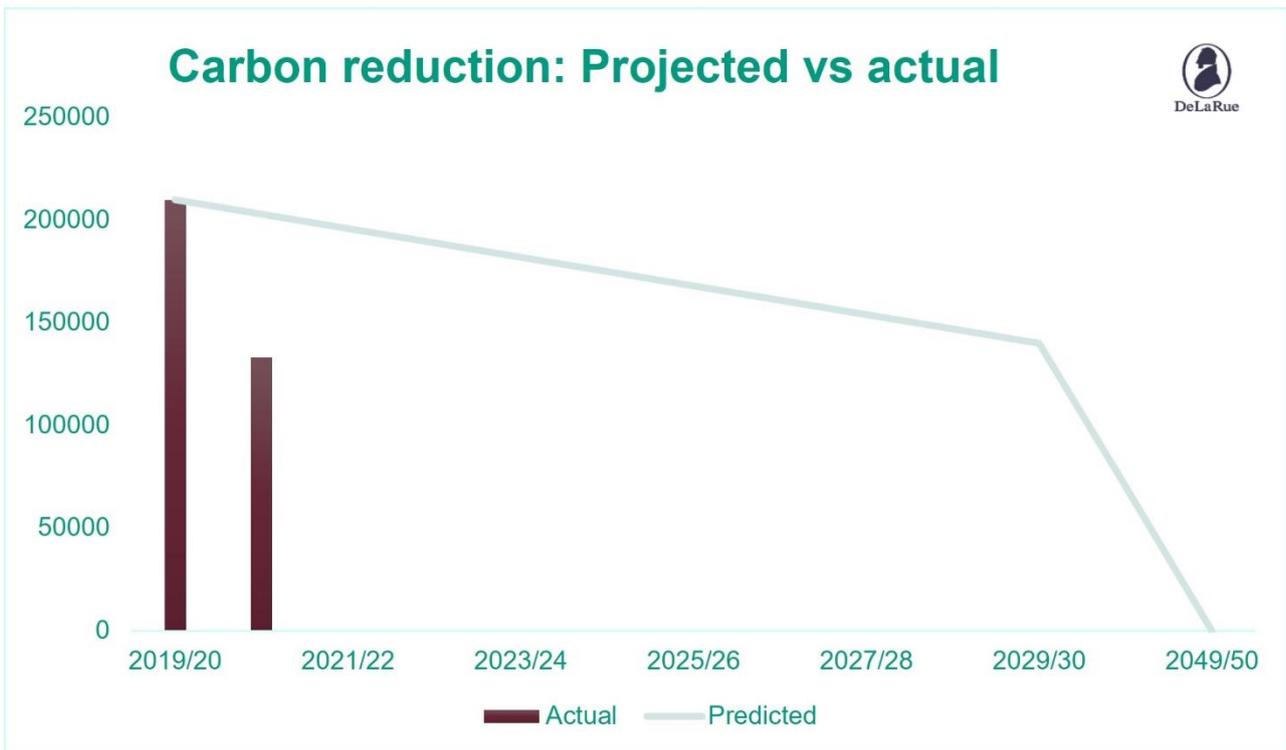
<sup>2</sup> This accounts for group-wide Scope 3 emissions including our global sites.



De La Rue are submitting our science-based targets aligned to below 1.5°C to SBTi, decreasing our carbon emissions by 45% by 2030 from our agreed base year 2019/20 for Scope 1, 2 and 3 as a near-term target, as part of our journey to Net Zero by 2050. In addition, we are aiming to be carbon neutral by 2030 by a phased carbon offset programme for our Scope 1 and 2 emissions in our control. We continue towards our absolute energy reduction of 2.1% for FY 2021/22 which was a repetitive target set from previous years, and we are confident will achieve this.

We have achieved a 36% reduction in our total gross emissions compared to our baseline year. We project that our carbon emissions will decrease over the next five years by 20% by 2026, to a 167840 tCO<sub>2</sub>e compared to our baseline.

Progress against these targets can be seen in the graph before.





## Carbon Reduction Projects

### Operations

Since 2019, all our sites in the UK operate on 100% renewable energy generated electricity which reduced our carbon emissions for UK production by about 7%. Combined with a 39% reduction in energy usage at our Gateshead site from stopping production, we were able to report a 73% decrease in emissions from our electrical power use at our UK sites under the GHG protocol market-based method. In addition, we have reduced our absolute energy consumption by over 5.5% during FY 2020/21.

We have also commenced with operations to convert all our lighting to LEDs and improve our energy efficiency savings. Further energy improvements include for example, the recommissioning of solar panels at our Westhoughton site.

All our capital expenditure and products/process developments consider environmental sustainability aspects before and during the approval stages.

### Suppliers

A supply chain review is underway to inform our future roadmap for reductions in Scope 3. This review will identify sustainability measures that can be taken. We have also launched our internal Transform Sustainability programme which identifies a roadmap of actions that can be taken towards net zero. Within this we have identified more sustainable alternatives in our product designs.

### Employee Engagement

For our journey towards net zero, employee engagement and awareness are key. We have rolled out environmental awareness training to more than 80% of our employees at Head Office and this has been cascaded at production sites.

At Head Office we have a flexible hybrid working policy at the present time.

### Standards

We have held the ISO14001 certification for our environmental management systems for since 2003. It focuses on objectives and actions on areas that will have the most



significant environmental impact both in the short and long term. In 2021, we have successfully renewed this external certification. In addition to measuring the carbon impact of our business, we are also working with our key customers using carbon footprint modelling that aligns with PAS2050 to help reduce the embedded carbon in our products.

## Reporting

We participate in the CDP and have submitted data for the past 11 years, which has required us to build an in-depth understanding of climate related risk, enabling us to review and improve on our carbon impact. We have steadily improved our CDP score each year and in FY 2020/21 we achieved a score of B.

De La Rue has made a long-term commitment to the United Nations (UN) Global Compact Sustainable Development Goals (SDGs) – a voluntary initiative to align business strategies and operations with the UN's global principles on human rights, the environment and anti-corruption. Focusing on SDG 13 – Climate Action, we are focused on aiming for the best practice to reduce our climate risk. To ensure we achieve SDG 13 and comply with the International Governmental Panel on Climate Change (IPCC) recommended goal of restricting global warming to 1.5 °C, we are submitting our science-based target to SBTi to be verified and approved. We are aligning our climate reporting with the Streamlined Emissions and Carbon Reporting (SECR) and the Taskforce on Climate Related Financial Disclosures (TCFD). We use and set internal key performance indicators (KPI)'s to measure our progress.

## Future Carbon Reduction Projects

We are hoping to extend our use of renewable energy in our international sites and reduce our overall energy usage relative to production in our facilities.

For our Westhoughton site, we are looking to reduce our machine energy and natural gas for our solvent oxidisers using thermal controls. At Debden, we are aiming at reducing the energy usage of our air compressors for the presses. At our Head Office in Basingstoke, we are installing LED lighting, considering investing in new high efficiency gas boilers and are looking into the viability of installing solar panels.



**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 and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting](#).

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.

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:...**

.....Date:

...21/03/2022.....