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An Introduction from our CEO

‘Woodland Group saw tremendous growth across the business in 2021. Our aim for the future is to further this growth to create opportunities for all Woodland stakeholders, whilst we continue to focus on lowering our carbon footprint. A challenge not easily achieved, but one we are committed to as part of our dedication to delivering sustainable business practices and supply chains. So far we have achieved;

- Bronze EcoVadis rating
- Nominated for an Environment Warehouse Award
- Offering carbon calculations on global transport chains to clients via our carbon calculator
- More than 1200 solar panels installed across 3 new fulfilment centres providing renewable energy
- Sourcing and developing alternative greener transport solutions such as rail: So far, we have removed more than 1,000 vehicles off the road, achieving a 60% reduction in carbon across this transport route
- Warehousing: Recycled paper has replaced plastic-based cushioning material
- Packaging: a considerable reduction in pallet wrap usage, saving tonnes of plastic across all our fulfilment centres (5 tonnes in our Coventry facility alone)
- Greener data centre: As an eco-energy customer, our data centre energy usage is sourced from 100% renewable energy
- Electric car charging facilities for team members at major sites and a major change to our company car scheme that means we now only offer fully electric options

This report looks at where we are now, and where we will be heading next. We look forward to continuing to work with our suppliers and customers as we collectively transition to a lower carbon logistics sector.’

Kevin Stevens, CEO Woodland Group
Carbon Reporting at a Glance

The freight, transport and logistics sector needs to deliver an 80% reduction in CO2e emissions between 2015 and 2050 if the sector is to do what is necessary to reach global climate goals e.g. to stay within 1.5 degrees of global warming from pre-industrial times.

Smart Freight Centre (an international non-profit organisation focused on reducing greenhouse gas emissions from freight transportation) is encouraging over 100 multinationals (such as Woodland Group) to reduce logistics emissions by at least 30% by 2030 and reach net-zero emissions by 2050.

This report offers a snapshot view of our emissions throughout 2021, broken down into separate categories to give clarity on where the total amount is coming from. These are called ‘scopes’ and can be explained in the following way:

- **Scope 1**: Emissions we directly create ourselves from assets that are owned or controlled by Woodland Group, such as our vehicle fleet.
- **Scope 2**: Indirect emissions that are under our control. Typically these come from the electricity and gas used to power and heat our sites.
- **Scope 3**: Indirect emissions created elsewhere in the supply chain that are outside of our direct control, typically upstream or downstream from ourselves. This could be our waste, packaging, employee commuting or the subcontractors we use to transport our clients’ goods.

There is only ever one direct owner for emissions which is why scope 1 and 2 emissions are considered our direct responsibility. In comparison, scope 3 emissions can be double counted, so what may be our scope 3 emissions will belong to someone else’s scope 1 emissions.

For example, the operational emissions related to our vehicle fleet are our scope 1 but are our clients’ scope 3. Equally the transport that Woodland Group subcontracts to move our clients’ goods would fall into our scope 3 but will be the subcontractor’s scope 1.

Due to the data source of scope 1 and 2 emissions, the methods used to calculate the amounts of CO2e produced from different operational activities vary and are typically more accurate in scope 1 and 2 in comparison to scope 3. When scope 3 emissions are calculated, the sharing/duplication from others’ scope 1 and 2 emissions is also reflected in the calculations, meaning we only take responsibility for a portion of those emissions in our overall carbon footprint.

Typically scope 3 emissions account for at least 70% of a business’ carbon footprint. It is crucial that companies measure and tackle scope 3 alongside scope 1 and 2 emissions to ensure we can meet the aims of the Paris Agreement and limit global warming to 1.5°C.

Equally, carbon reporting is not only important to understand our impact, it also plays a key role when working with clients who aim to decarbonise their supply chain and wish to have a greater understanding of Woodland’s impact and environmental work as one of their suppliers.
# Woodland Group 2021 Emission Data

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Direct emissions from company facilities and vehicles</th>
<th>10,214</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 2</td>
<td>Purchased electricity and heating for company use</td>
<td>865</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Purchased goods and services, waste, business travel, employee commuting, etc.</td>
<td>6,783</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>17,862</strong></td>
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</tbody>
</table>

## Woodland Group 2021 Carbon Emissions

- **Scope 1 & 2 & 3 Total:** 17,862 tonnes CO2e

## Third Party Vehicle Emissions

Alongside our corporate carbon reporting, Woodland Group is now able to offer emission reports of global transport chains to clients. Using the data collected throughout 2021, we have been able to estimate the total number of emissions produced through the movement of customer goods via Woodland as a freight forwarder. This figure is based on primary data from multiple months in 2021, meaning the full 12 month figure is an estimated average from a smaller data set.

| Third Party Vehicle Emissions | 230,000 |

## CO2e explanation:

CO2e is short for carbon dioxide equivalent, which is a metric used to cover all greenhouse gas emissions that contribute to climate change, including carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and refrigerant gases like hydrofluorocarbons (HFCs), amongst others.
Some of these gases cause more global warming than others, which is why CO2e is calculated to make it easy to compare the impact of activities that emit different greenhouse gases. For example, methane is 25 times more powerful as a greenhouse gas than carbon dioxide (CO2) which means that 1kg of Methane = 25kg of CO2e.

Framework/Methodology:

This report was produced using the GHG Protocol Standard, with the GLEC Framework being used to calculate all data relating specifically to freight and logistics.

Primary data was used in most cases; however, a minority of data was assumed based on averages taken from similar data sets where primary data could not be collected. Work is already underway to reduce the assumed data from 2022 onwards.

**Key Areas of Focus for 2022**

Now that Woodland Group has a clear picture of how and where emissions are being released, we can begin to set targets to lower our impact. These targets aim to reduce our overall emissions, whilst still allowing for business growth. Equally, they allow us to continue to focus on our values such as delivering excellence, and our commitment to ongoing development and customer satisfaction.

**Scope 1 and 2:**

- Our vehicle fleet represents the largest areas of our scope 1 and 2 emissions, of which we are directly responsible for. For this reason, we must consider what alternatives are available. Options include; electrification, hydrotreated vegetable oil (HVO), compressed natural gas (CNG), and hydrogen fuel cells, amongst others. Woodland will aim to trial a number of these alternatives in 2022/23, with an expectation to lay the foundations for a gradual transition over the coming years in line with globally accepted reduction rates (30% by 2030, 90+% by 2050). Woodland Group also has an expectation that our third-party partners will be taking similar steps to cut their fleet emissions, which in turn will reduce our scope 3 vehicle emissions.

- Woodland’s energy usage is expected to increase as we remove fossil fuels from our business operations and move towards electrification (through the introduction of electric forklifts, company vans/cars, boilers, etc.). To enable this transition, we need to look at where we source our energy from, and how efficiently we are using it. As a result, we have two key aims for 2022:
  - Develop and implement energy reduction methods across all Woodland sites. This includes options such as switching to LED lighting, installing motion sensors and self-dimming lighting as well as looking at more detailed ways to monitor energy usage via tools such as Building Energy Management Systems (BEMS) which allows us to highlight wastage hotspots and take action.
  - As we move to electrify our operations, we must avoid a simple switch of releasing emissions from direct fossil fuels to the national grid. For this reason, we will be investing in the further rollout of solar panels across our major fulfilment sites from 2022 onwards.
Scope 3:

- As a Freight Forwarder, we have a unique opportunity to work with our clients to reduce the emissions linked to their supply chain. By estimating overall annual third-party vehicle emissions we now have a baseline to work from. Moving forward we will engage with clients and continue to build and expand our range of carbon conscious solutions. At this point in time, these solutions principally include:
  - Offering carbon reports that present shipment by shipment breakdowns and total CO2e emissions. Doing this shows the real impact of choosing air, sea, road or rail for each leg of a journey, which in turn makes customers more aware of the impact of transporting their goods. We believe that can’t manage what you can’t measure.
  - Following the production of carbon reports we then offer to engage with clients through consultations and offer solutions to lower the carbon produced from their shipments. This could be achieved by switching transport methods (e.g. switch from air to sea, or road to rail), making use of sophisticated consolidation and routing software, or implementing specific green warehousing solutions.

- The procurement of goods can have a huge impact on the sustainability of a company’s supply chain. For this reason, Woodland is looking to update its supplier onboarding material, begin scoring current and future suppliers on key sustainability factors, and, wherever possible, give preference to suppliers making similar environmental and ethical commitments as ourselves.

- We have already begun to reduce the amount of plastic packaging used across several of our UK fulfilment sites. Our ambition is to expand on this to cover as many of our sites globally as possible in 2022 and beyond.

- We already recycle baled plastic and cardboard operational waste within many of our fulfilment sites. We are now beginning to roll out additional office/staff recycling with the aim of having this in place at all major sites globally by the end of 2022.

Corporate Goals:

- In April 2022 Woodland achieved a bronze EcoVadis rating, recognising the work we have already done to improve the sustainability of our business. Moving forward we hope to reapply and achieve a silver rating by the end of the calendar year. Equally, we have achieved ISO14001 certification for multiple UK fulfilment sites. Our ambition is to have all major sites certified, which we will be working towards over the next 12-18 months. We’re also proud to hold a FORS (Fleet Operator Recognition Scheme) silver rating for our fleet and are actively working towards becoming gold rated in the future. To achieve FORS Silver accreditation, our fleet must also be compliant with the CLOCS Standard for Construction Logistics and TFL’s WRRR (Work Related Road Risk).

- Any changes within an organisation can be met with concern by internal and external stakeholders. With so many changes happening in various areas of the business, training plays a key role in getting team members on board and engaged with our sustainability commitments to become spokespersons for the business’ positive impact model. Woodland will commit to offering training on climate change and sustainability to team members across the globe.
The reintroduction and protection of flora and fauna will play just as key a role in delivering a sustainable future as reducing the concentration of greenhouse gases in our atmosphere will do. As a result, Woodland will commit to supporting biodiversity levels within the areas around our operational sites. This will be achieved by installing wildlife nesting boxes and rewilding areas of unused space on our sites to increase plant and flower cover.

**Ambitions For the Future/Closing Remarks**

Like most other areas of our global economy, the freight and logistics sector is yet to find solutions to decarbonise all of its activities. However, through the commitments made in this report, Woodland Group is opting to play an active part in the industry’s positive transformation towards a sustainable future, pushing to be at the forefront of advancing technologies.

We are choosing to be a driving force to encourage our customers and suppliers to make their own sustainable commitments alongside us. We look forward to supporting the transition to long term sustainable supply chains in the future and hope that you will join us on this journey.