Pickerings Hire

Net Zero Progress Report 2024

Reporting Period 1st July 2023 - 30th June 2024
Published November 2024

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Foreword

In 2022, we partnered with Positive Planet to measure our carbon footprint and begin our decarbonisation journey. Since then we have measured our emissions for three reporting periods, set carbon reduction targets and got started on some carbon reduction initiatives.

From measuring our scope 1, scope 2 and upstream scope 3 impacts, we have found that our cost of sales purchases are our largest source of emissions. Capital purchases, third-party goods transportation, and company vehicle use are all also significant sources of emissions. Over the next few years, we will focus on these areas, both in terms of reducing emissions, but also improving data quality. This year we excluded downstream emissions from our footprint but have committed to measuring these emissions in the near future.

In addition to assessing the carbon impact of our activities, we have also committed to some Science Based Target Initiative (SBTi) aligned targets, including a commitment to reach Net Zero by 2050.

In this document, you can find our measurement results, near and long-term reduction targets, our progress and our reduction strategies.

Neil Moss
Managing Director

Formed in 1969, Pickerings has grown into a leading, privately owned specialist in the hire, sale and lease purchase of portable and modular buildings for every need.

Mission Statement
"To provide the most modern temporary workspace to give people an inspiring, comfortable and safe working environment. "

Vision
"Our vision is for Pickerings to be the automatic choice for our customers, suppliers and employees, and become the enviable provider of turnkey workspace solutions offering products in education, health, industry and commerce. "

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Measured by Positive Planet

Why we're taking action

Why we're taking action

At Pickerings Hire, we understand that taking action to reduce carbon emissions and achieve Net Zero is not just a responsibility; it's imperative for our business. By committing to reducing our carbon footprint, we aim to contribute positively to the fight against climate change while also future-proofing our operations.

Embracing sustainability isn't just about mitigating risks; it's about embracing opportunities for innovation, efficiency, and long-term resilience. Our dedication to this cause reflects our commitment to leaving a better world for future generations and ensuring the continued success and sustainability of our business.

Not only do we aspire to reduce Pickerings Hire's emissions to Net Zero by 2050, but we also hope to inspire our customers, supporters, suppliers, industry, and communities to take action.

In their most recent report, the Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by 1.1°C above 1850-1990 levels (IPCC, 2023).

This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions.

These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.

Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is also important for the success of our business that we consider the challenges that we may face to sustain stakeholder confidence.

Risks

- Supply chain disruption
- Human health impacts
- Rapidly changing regulations
- Changing customer demands
- Increased insurance costs
- Increased heating and cooling costs
- Reputational risks

Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Increase efficiency, reduce costs
- Increase resilience to change
- Brand enhancement

Our carbon footprint

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

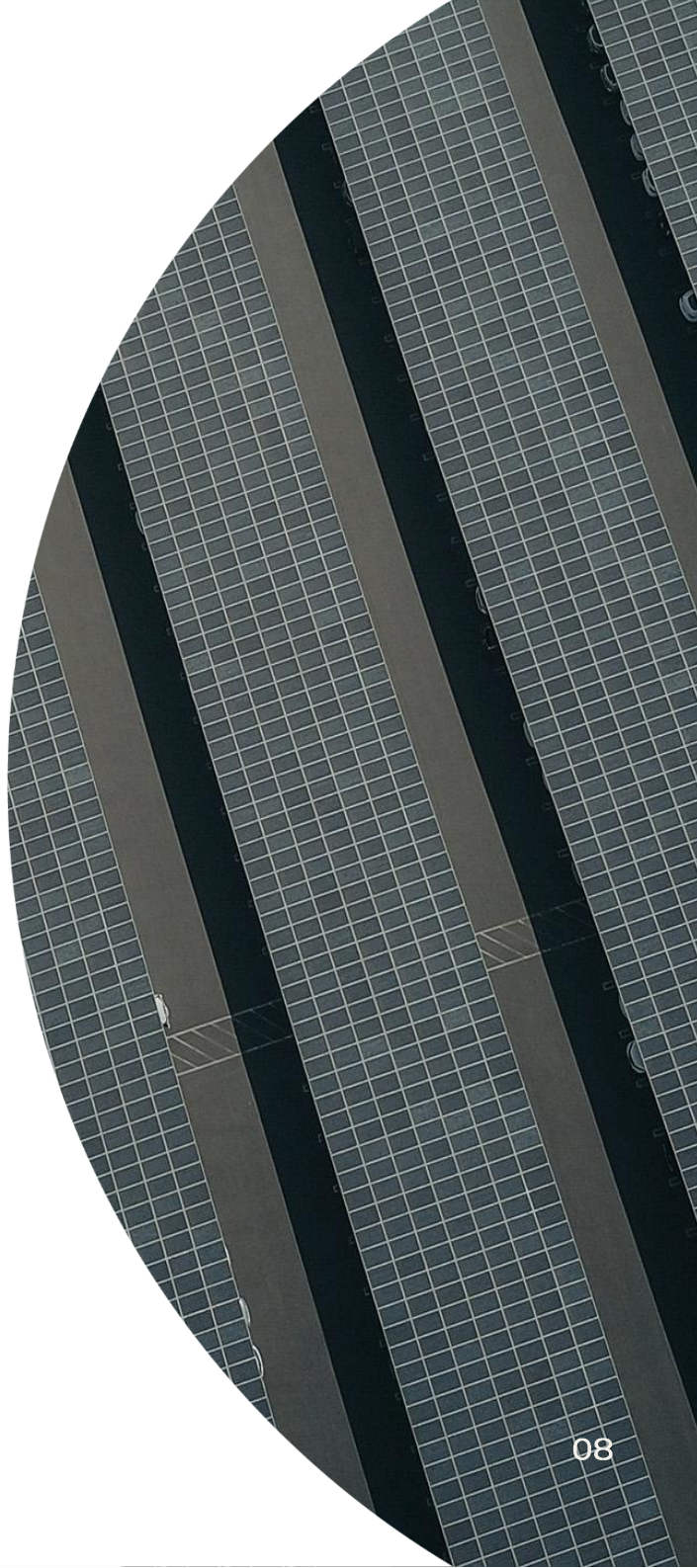
How our carbon footprint is calculated:

Our carbon footprint has been measured using principles from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Six Greenhouse Gases are calculated as part of this emissions report, known as the six Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential. For emissions reporting, these gases are simplified and measured in the unit tonnes of carbon dioxide equivalent (tCO_2e).

We sorted our business activities into the scopes and categories outlined by The GHG Protocol and reported all direct and upstream indirect emissions.

We measured all scope 1, scope 2 and upstream scope 3 emissions. We have not yet quantified our downstream impacts (which will include emissions associated with the use of our serviced pods and other energy-consuming products and any disposal managed by customers).



CO_2 CH_4 N_2O HFCs PFCs SF_6 NF_3

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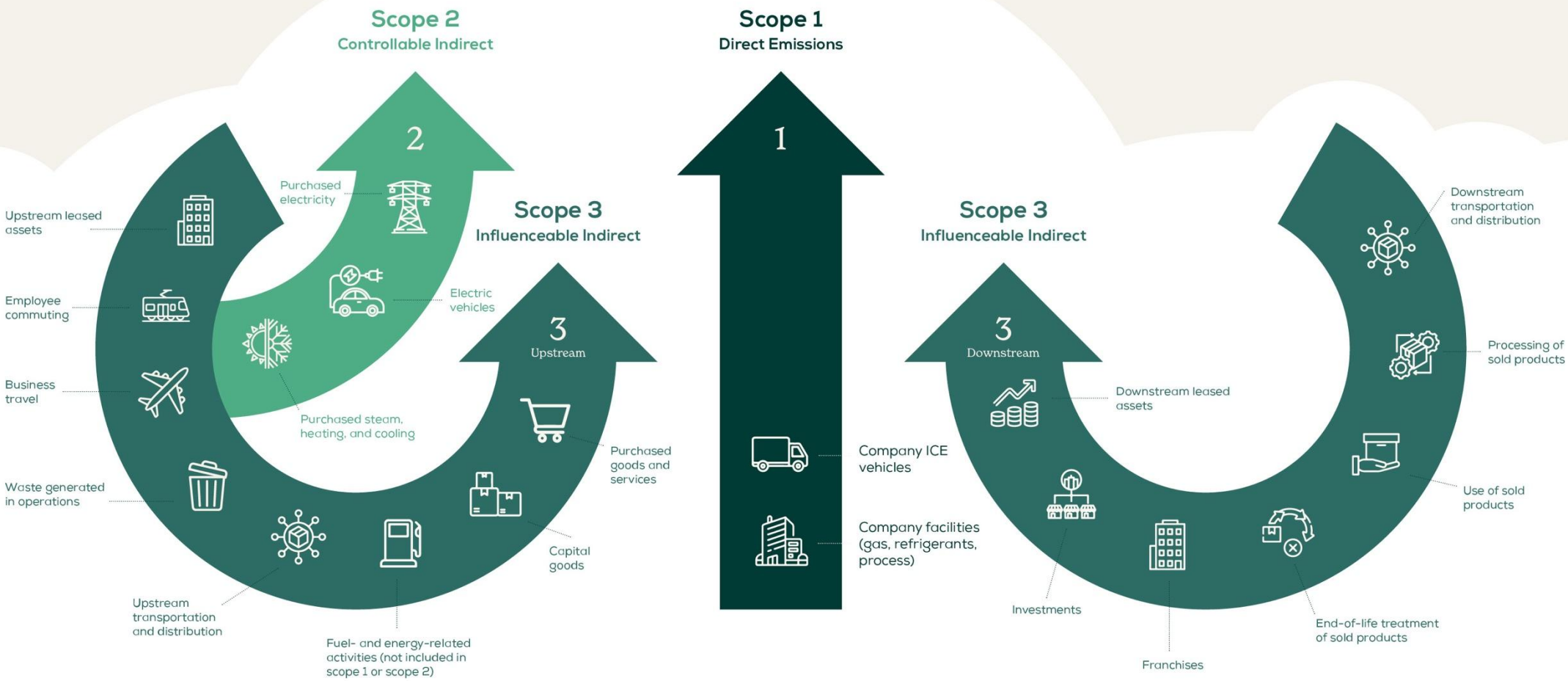
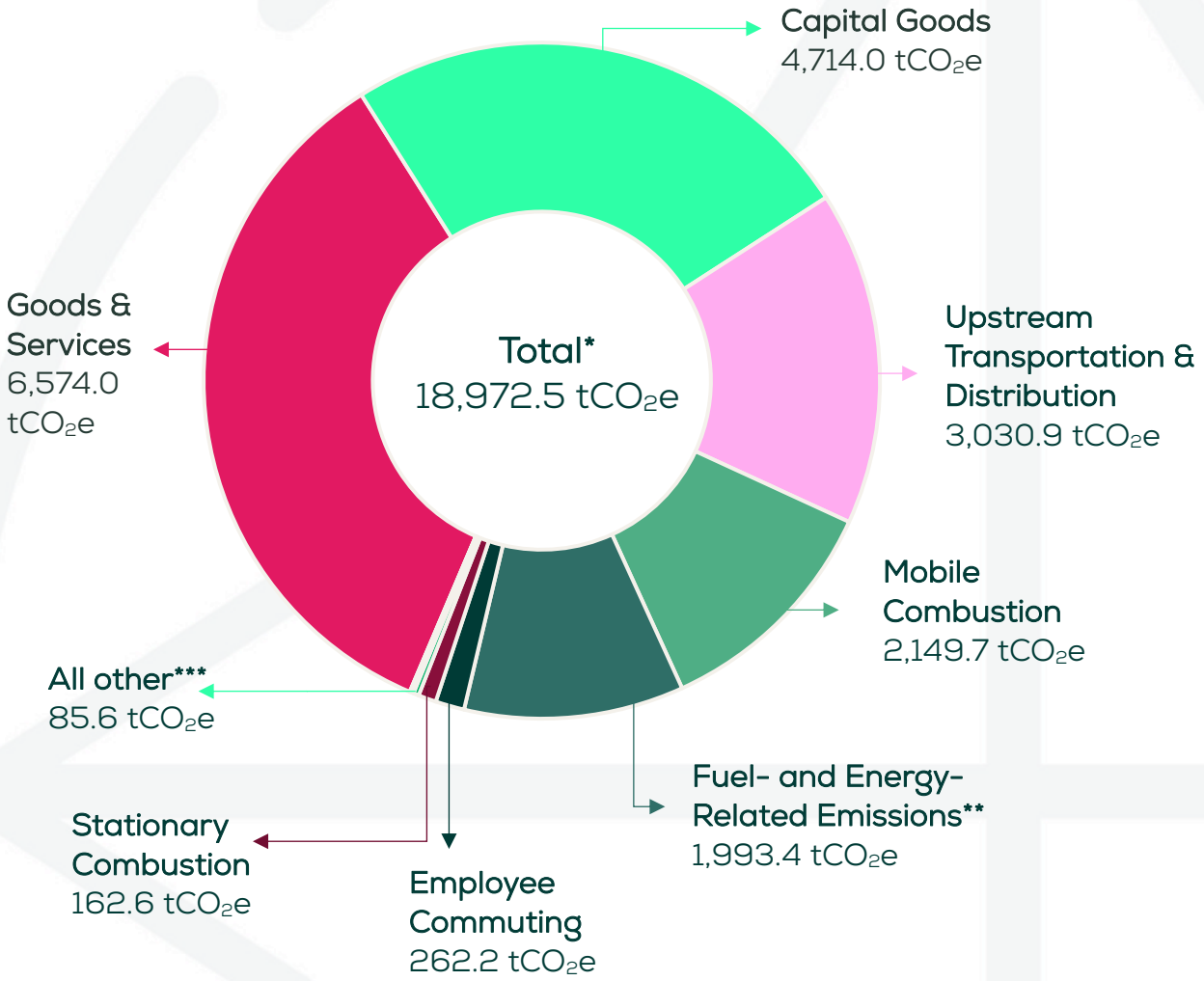


Upstream Activities | Reporting Company | Downstream Activities

Our 2024 carbon footprint



Reporting Period
1st July 2023 – 30th June 2024

Carbon Intensity Per FTE
64.9 tCO_2e / Employee

Carbon Intensity Per £m Of Revenue
268.6 tCO_2e / £m

Scope 1 – 2,312.3
Scope 2 (Location-based) – 142.2
Scope 2 (Market-based) – 49.6
Scope 3 – 16,610.6

High Impact Activities
- Purchase of cost of sales goods and services
- Purchase of capital goods
- Goods transportation

**Fuel- and Energy-Related Emissions are those that occur in addition to the combustion emissions and electricity generation emissions that are measured in the other energy use categories.*

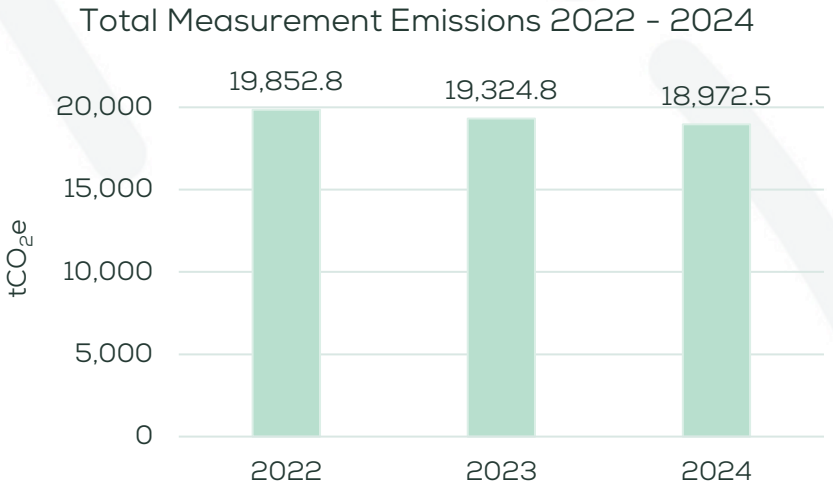
*Excluding downstream scope 3 emissions
***Electricity – Market-based (49.6 tCO_2e), Waste (32.2 tCO_2e) and Business Travel (3.8 tCO_2e)

Our baseline emissions

Baseline Reporting Period: 1st July 2021 – 30th June 2024

Since our baseline reporting period, scope 1 emissions have increased by 16%, our scope 2 emissions (based on the market-based methodology) have decreased by 66% and our scope 3 emissions have decreased by 6%.

This is an overall reduction since the baseline year of 4%, this includes a decrease from the previous year of 2%. A full breakdown of emissions by category is given below.



Scope	Category	2022 Emissions (tCO_2e)	2023 Emissions (tCO_2e)	2024 Emissions (tCO_2e)	% Change (Since 2022)
Scope 1	Stationary Combustion	171.2	145.3	162.6	-5%
Scope 1	Mobile Combustion	1,829.1	2,132.9	2,149.7	+18%
Scope 2	Electricity (Location-based)	145.3	137.4	142.2	-2%
Scope 2	Electricity (Market-based)	145.3	137.4	49.6	-66%
Scope 3	Goods & Services	5,607.0	5,428.4	6,574.0	+17%
Scope 3	Capital Expenditure	5,758.1	6,315.4	4,714.0	-18%
Scope 3	Fuel- and energy-related activities	1,652.7	1,455.4	1,993.4	+21%
Scope 3	Ups Transp and Distribution	4,549.5	3,437.4	3,030.9	-33%
Scope 3	Waste Generated In Operations	22.0	24.3	32.2	+46%
Scope 3	Business Travel	7.4	4.8	3.8	-49%
Scope 3	Commuting	110.4	243.6	262.2	+138%

Our reduction targets

What does Net Zero mean?

To achieve Net Zero, we will be aiming to reduce emissions in line with guidance from the Science Based Target Initiative (SBTi).

SBTs are greenhouse gas reduction goals set by organisations. They are defined as "science-based" when they align with the scale of reductions required to keep global temperature increases well below 2°C, and ideally below the 1.5°C agreed in the Paris Agreement, compared to pre-industrial temperatures. SBTs provide organisations with pathways to sustainable transformational change to accelerate the transition to a low-carbon economy.

We have set the following long-term, Net Zero, targets:

- To reduce our total market-based emissions by at least 90% by 2050
- To offset any residual emissions annually from 2050

What's the difference?

Net Zero
When a business has reduced its scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our near-term targets

Pickerings Hire is committed to reaching Net Zero by 2050. We have also set the following near-term targets which we will use to track progress to 2030:

1

Reduce scope 1 emissions by 50% by 2030

2

Reduce market-based scope 2 emissions by 100% by 2030

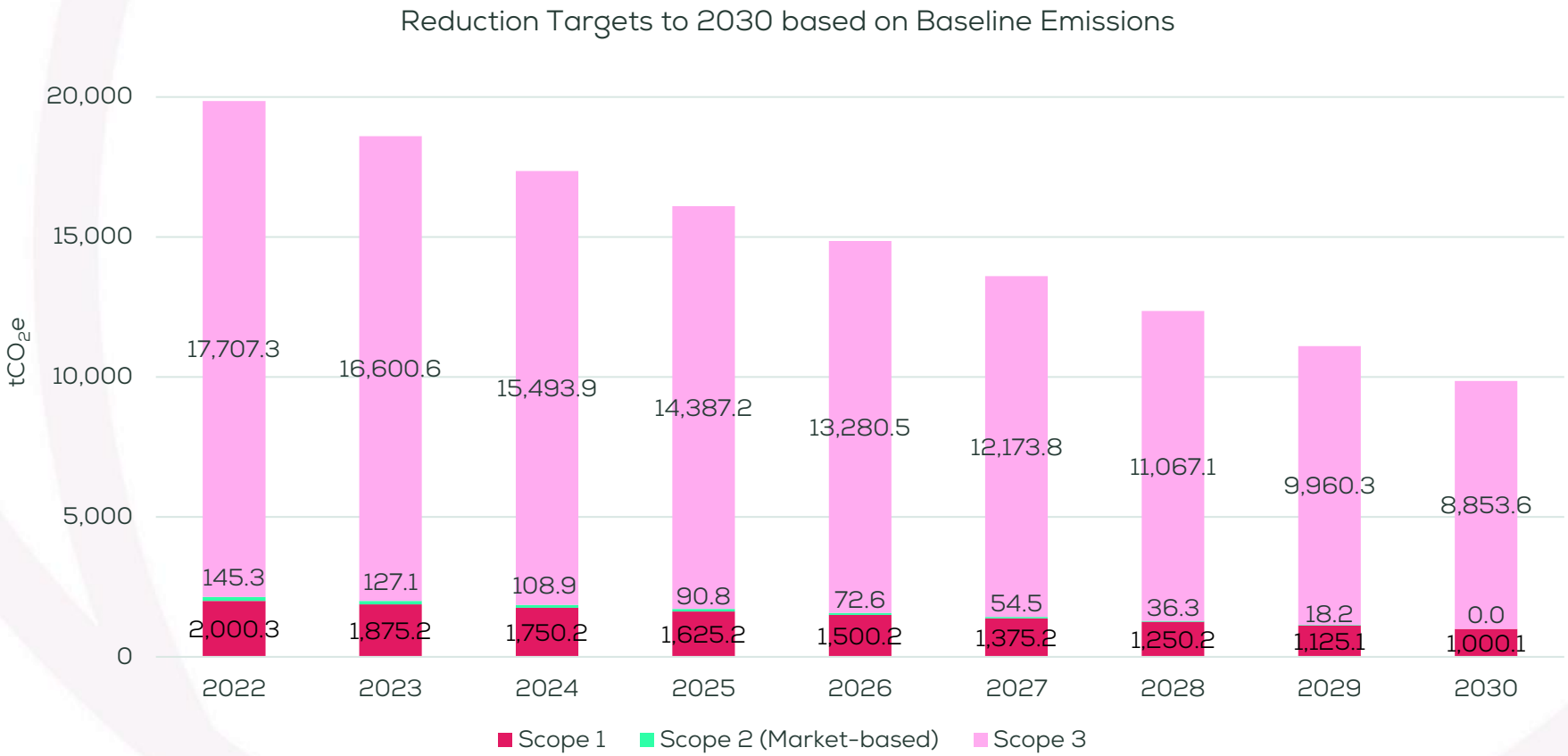
3

Reduce scope 3 emissions by 50% by 2030

NB. We will review our targets following any significant changes to our business, with the release of any new guidance from the SBTi and as standard every five years. Targets will be set on downstream scope 3 emissions once measured.

Targeted annual reduction

The graph below shows our scope 1, market-based scope 2 and scope 3 emissions reduction targets to 2030 based on our baseline emissions. To achieve a linear reduction, we would need to reduce scope 1 emissions by 125.0 tCO_2e each year, market-based scope 2 emissions by 8.2 tCO_2e each year and scope 3 emissions by 1,106.7 tCO_2e each year.



Progress

Scope 1

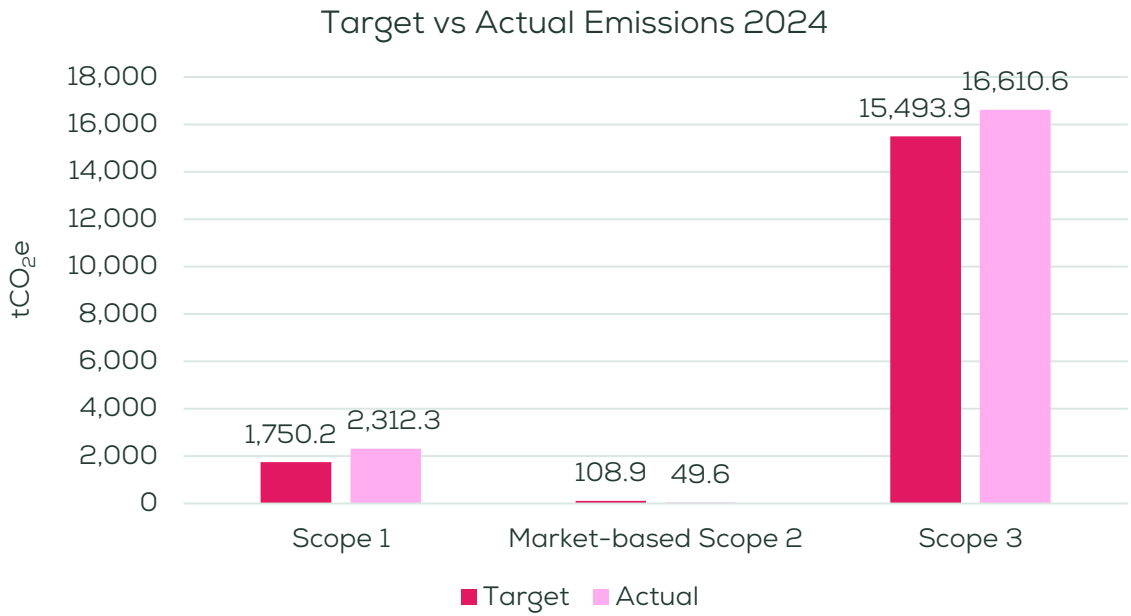
Our scope 1 emissions increased between the baseline and the current year by 16%, meaning we are behind target. We were aiming for scope 1 emissions of 1,750.2 tCO_2e or less but emissions were measured to be 2,312.3 tCO_2e.

Market-based Scope 2

Our scope 2 emissions decreased between the baseline and the current year by 66%. We were aiming for market-based scope 2 emissions of 108.9 tCO_2e or less, but emissions were estimated to be 49.6 tCO_2e meaning we are ahead of target.

Scope 3

Our scope 3 emissions also decreased between the baseline year and the current year, by a total of 6%. We were however aiming for scope 3 emissions of 15,493.9 tCO_2e or less, and emissions were measured to be 16,610.6 tCO_2e, meaning we are behind target but moving in the right direction.



Alongside a decrease in emissions, there has also been an increase in the size of our workforce. Our emissions per employee have reduced between the baseline year and the current year by 17%. This means that if our organisation had remained the same size we would have surpassed the total targeted reduction of 13%.

Reducing our emissions

Steps we've taken to reduce emissions (cont.)

Measuring our carbon footprint

In 2022 we committed to measuring and reporting our business' carbon footprint annually, allowing us to understand where our emissions come from and take action to reduce them. We appointed experts Positive Planet to support.

Implementing environmental management systems

We have achieved ISO 9001, 14001, 45001 (UKAS approved) certifications. These management systems allow us to better monitor our processes and systems to operate in a more sustainable way.

Committing to installing solar PV panels

Last year, we made a commitment to strive to self-generate all our onsite electricity usage, which would completely reduce both our market and location-based electricity emissions to zero. We will achieve this by installing solar PV panels at our sites, the first of which were installed in 2023.

Steps we've taken to reduce emissions (cont.)

Installing systems onsite to reduce energy use

In 2022 we installed a power management system which will allow us to use energy more efficiently, we also installed an air recirculation system to reduce heating and cooling requirements.

Reducing fuel use and emissions

We have installed idling reduction technology to our fleet trucks. These turn off truck engines when idling, thereby reducing fuel use.

For our drivers, we have also provided driver training courses to help them drive more efficiently – this includes driving more smoothly, reducing idling, and more to reduce fuel use.

We are also starting to transition to battery electric forklifts, replacing our current diesel forklifts. The delivery of the first electric forklift means this will start to make a difference in our emissions in the following measurement period.

We are also continuously exploring opportunities to use HVO. Current barriers included supply and cost but we will revisit this in the future.

Steps we've taken to reduce emissions (cont.)

Reducing distribution emissions

We made the conscious decision to source our high quality modular building systems, that have to be shipped across Europe from Austria and Slovenia. To substantially reduce emissions they are procured as flat packs. We are now able to fit six to eight modular systems per lorry (instead of just one if they were not flat-packed).

Reducing waste

To reduce the amount of waste being disposed, we improved waste management systems to facilitate increased reuse and recycling of our products. This was supplemented by also increasing reuse of our equipment and machinery, allowing us to reduce both waste and our equipment and machinery purchases.

Starting our move to leased-out renewable power generation

To reduce downstream leased assets emissions (not yet measured) from hiring out diesel generators to customers, we have started to introduce solar-powered electricity as an alternative.

Reducing scope 1 & 2 emissions

Our scope 1 and 2 emissions account for around 20% of our total carbon footprint. As we have sole ownership of these emissions, we must concentrate on reducing this figure to zero as soon as possible.

Reducing site emissions

These emissions result from: onsite gas heating and electricity (on a non-100% renewable tariff); and our owned and leased company cars, vans, HGVs and forklifts. We are determined to reduce these emissions.

In addition to the steps we are already taking, we will consider low-cost options such as reducing the boiler temperature and adding heat and solar control reflective window sheets to our sites. We will also continue to explore solutions to reduce our energy use.

In the coming years, we aim to replace our gas heaters with electric heaters, the power of which we will be able to self-generate with our newly installed solar PV panels. We will continue to install solar panels at our sites to eventually generate 100% of the electricity required.

Reducing scope 1 & 2 emissions

Reducing car, van, HGV and forklift emissions

For our vehicles, we shall continue to strive towards full electrification. In the case of our cars, vans, and forklifts, a viable path to this already exists, and we shall replace remaining fossil fuel cars, vans, and forklifts with fully electric ones at the end of their useful life. We shall also prioritise renting electric (and hybrid if infeasible) cars when having to hire cars.

With our HGVs, this has presented much more of a challenge, as there is no clear green alternative to diesel for delivering heavy loads to sites at present. HVO options were explored, but there are currently significant barriers to procuring a reliable supply.

Two promising truly green alternatives to diesel HGVs just entering the market are battery electric lorries and hydrogen lorries. Although both options are currently very expensive and are limited in how they can go through underdeveloped HGV charging/refuelling infrastructure, we shall continue reviewing them annually and will start replacing our current fleet with them as soon as they become viable for our use cases.

We will also continue to monitor fuel efficiency and provide staff with vehicle use training to minimise unnecessary fuel use.

Reducing procurement emissions

The purchase of capital and non-capital goods and services is our most carbon-intensive activity, making up 56% of total measured emissions in our baseline year. As our purchased goods and services emissions are essentially our suppliers' emissions, they will need to be working towards similar carbon reduction goals as ours if we are to meet our targets.

The first step towards alignment across our supplier chain will be to implement an effective system for the collection of data from suppliers so that we are able to:

1. To assess and compare the sustainability credentials of new and current suppliers
2. To improve the accuracy of our footprint calculation

Information will need to be collected before procurement decisions are made and properly considered alongside other criteria (e.g. price, speed, quality), and then on an annual basis going forward for use in the footprint. We will first need to consider the different methods available to us for the collection of environmental data from our suppliers and contractors (e.g. Climate Disclosure Project, SupplyShift, EcoVadis, Responsibly vs the use of our own systems), and then work to implement a system that is capable of executing data collection for these two functions.

The second step will be to set targets for our suppliers and procurement teams based on several metrics (emissions reporting, target setting, carbon reduction) and build this into our Procurement Policy. We will ensure open communication with our suppliers and provide them with resources and support. We can also offer sustainable suppliers preferential terms and pricing or introduce terms surrounding emissions measurement and reduction into some of our contracts.

We will also look to purchase materials with strong sustainability credentials e.g. from ResponsibleSteel- or ISCC-certified suppliers.

Reducing emissions from the third-party transportation of goods

The transportation and distribution of goods using external freight partners was the largest contributor to our footprint this year, and is estimated to be responsible for the emission of 3,030.9 tonnes of CO_2e into the atmosphere.

Much of our outsourced shipping emissions comes from transporting modular building systems and portable cabins, and these currently use HGVs over land, and large RoPax ferries for crossing the channel. Although we foresee our freight partners having the same challenges as us in finding greener vehicles, we plan to survey these partners and review their sustainability annually so that we're sure we're partnering with lower-carbon partners in the industry – those making strides to reduce transportation emissions. We will also use these surveys to gather supplier-specific data to improve the usefulness of our future measurements.

We are aiming to reduce our transportation and distribution emissions by 50% from our baseline year by 2030, this would require a 4% reduction year-on-year and result in a reduction of 636.8 tCO_2e compared with our current footprint.

Reducing emissions from commuting

Our commuting emissions make up the fifth-largest contributor to our measured emissions (after external distribution, operational procurement, company vehicles, and indirect energy emissions). These emissions are estimated to be responsible for the emission of 262.2 tonnes of CO_2e into the atmosphere.

Virtually all emissions in this category (98%) came from staff using petrol or diesel non-hybrid cars to get to and from work. The fact that we mostly work on construction or temporary sites (where public transport provision in our area is poor), and that work must be done onsite makes this more of a challenge to reduce.

To combat this, we will consider what support can be provided to our staff for active and low-emission travel, examples of which may include: cycle to work schemes, EV salary sacrifice schemes, and encouraging car-sharing opportunities.

As part of our scope 3 near-term target, we are aiming to reduce these emissions by 50% by 2030, which would require a 4% reduction year-on-year compared with our current footprint.

Company culture

We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, customers, partners, or our local community. We are proud to be surrounded by so many brilliant and committed individuals focused on tackling the climate crisis and ensuring a better future for us all.

Building a sustainable workforce

We have formulated a Green Team made up of members from different departments to support the roll out of our carbon reduction initiatives and manage data. All members have completed Carbon Literacy Training and started engaging with the wider employee base providing information on our road map and initiatives on improvement. We will look to improve our current employee's knowledge and hire employees with sustainability experience or interest and introduce sustainability KPIs for relevant roles.

Communication and reporting

We already have a sustainability page on our website but will continue discussing sustainability and our progress in end-of-year reports and internally in quarterly/annual meetings. We will also implement a sustainable travel policy and a sustainable procurement policy.

Engagement and celebrating success

We will consider organising volunteering days and sustainable team activities such as tree planting days and green socials. We will also create a system to recognise and reward employees or teams that contribute significantly to sustainability goals. By implementing the above actions, we hope to also reduce our utilities, business travel and commuting emissions by encouraging sustainable behaviours within our team.

Getting to Net Zero

Our Net Zero strategy can be summed up into three major steps:

1. Measure

We will measure our emissions each year and review our priorities for the year ahead each time. During this time, we will place a particular emphasis on gathering supplier-specific data from our suppliers.

We will also begin to measure our downstream emissions over the next few years.

2. Reduce

We've already outlined some short to medium term initiatives to begin work on this year. Using future measurements, we should be able to provide more insight into emissions hotspots as data quality improves.

3. Offset & Inset

In the short to medium term, we will invest funds into our own operations to reduce emissions. Once we see we have reduced the emissions that we can control and influence (especially as we approach the original 90% emissions reduction target), we will look to offset or inset the remaining emissions, thus reaching net zero.

Summary

As we embark on our journey to Net Zero, we look forward to collaborating with our teams, suppliers and customers to reduce our shared impact.

We are committed to measuring our emissions each year and continuously working to reduce them with the ultimate goal of reaching Net Zero by 2050.

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Appendix A – Emissions

Measurement results – all in tCO_2e

Total market-based:
18,972.5

Total location-based:
19,065.0

Scope 1	**2,312.3**
Stationary combustion	162.6
Mobile combustion	2,149.7
Fugitive emissions	0.0
Process emissions	0.0
Scope 2	**49.6**
Electricity *(location-based)*	142.2
Electricity *(market-based)*	49.6
Heat & steam	0.0

Scope 3 (upstream)	**16,610.6**
Purchased goods & services	6,574.0
Capital goods	4,714.0
Fuel & energy related activities	1,993.4
Upstream transportation & distribution	3,030.9
Operational waste & water	32.2
Business travel	3.8
Employee Commuting	262.2
Upstream leased assets	0.0
Scope 3 (downstream)	**0.0**
Downstream transportation & distribution	0.0
Processing of sold products	(not measured)
Use of sold products	(not measured)
End-of-life treatment of sold products	(not measured)
Downstream leased assets	(not measured)
Franchises	0.0
Investments	0.0

Appendix B: Methodology

- This report has been prepared for Pickerings Hire in collaboration with our sustainability partner Positive Planet.
- The calculation has been completed using the methodologies established and reviewed by Positive Planet.
- All the calculations are based on total emissions considering Global Warming Potential for a 100-year period (GWP100) and expressed in CO2 equivalent (CO_2e).
- The following emission factor sets have been used to calculate emissions; UK Government Conversion Factor for Company Reporting 2023 (for activity data) and the UK Government Conversion Factors KgCO2e per £ spent, by SIC code 2021 (for spend data, with an adjustment for inflation).
- This procedure is based on one of the most established standards, the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The principles of the widely accepted GHG protocol's Corporate Accounting and Reporting Standard. This translates to - completeness, accuracy, transparency, relevance, and consistency are used for the review and benchmarking of the data.
- Intensity metrics have been calculated utilising the reporting year's reportable figures for the relevant metrics. Total emissions were then divided by this figure to determine the tCO_2e metric.
- For rebaselining and measurement - any variation between re-calculated footprint and previously reported footprint will be considered as significant if it is more than 5%. In such cases re-calculation of base year should be undertaken.